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STATE BOARD
OF EQUALIZATION

Annual Report

1988-89

Board Members

William M. Bennett	Conway H. Collis	Ernest J. Dronenburg, Jr.	Paul Carpenter	Gray Davis	Cindy Rambo
Kentfield	Los Angeles	San Diego	Los Angeles	Sacramento	Executive Director
First District	Second District	Third District	Fourth District	State Controller	

STATE BOARD
OF EQUALIZATION

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1988-89

December 31, 1989

The Honorable George Deukmejian
Governor of California

Dear Governor Deukmejian:

I am pleased to submit to you the State Board of Equalization's *1988-89 Annual Report*. This year's report reflects a growing emphasis on service to taxpayers. The Board's *Mission Statement* and *Goals*, along with the passage of the Taxpayers' Bill of Rights—all have served to underscore the desire and the need to help taxpayers understand their rights and obligations. The Board enthusiastically supports both the spirit and the intent of the Taxpayers' Bill of Rights, which was designed to protect the rights, privacy, and property of taxpayers.

The Board is proud of its history of service to the public. Through its staff in 59 district and field offices and through the use of a quarterly information bulletin, tax tip booklets, and other publications, the Board has made strong efforts to improve its outreach to the more than 900,000 businesses it serves.

However, the Board recognizes that it is only at the threshold of what can be accomplished, and it looks forward to identifying and implementing additional ways to improve its services and modernize operations. It is highly committed to achieving the excellence called for in its *Mission Statement* and *Goals* and is doing so through implementation of a newly developed *Strategic Plan*—a plan intended to ensure the public of the highest quality programs and services for the coming decade.

Most Respectfully,

Cindy Rambo

Cindy Rambo, Executive Director

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PROFILE

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Introduction

In addition to supporting the state's general fund, a portion of the total sales and use tax revenue is returned to cities, counties, and districts for specific programs or general operations. Last year the Board returned more than $4.1 billion to local governments.

More than 900,000 businesses in the state are registered with the Board of Equalization. Those businesses pay sales and use, liquor, cigarette, fuel, and other taxes on a regular basis. During the year, these taxes, combined with other Board-administered revenues, produced $19.9 billion in revenue for state and local governments, up by $1.8 billion over 1987-88.

These businesses, as well as some 4.6 million homeowners, are indirectly affected by the Board since the Board is also required to evaluate and monitor the assessment practices used statewide to determine property values for the collection of local property taxes.

In addition, nearly 300 privately owned public utilities are affected by the Board of Equalization because each year it is required to determine their assessed values which are used by counties for the collection of local property taxes.

In 1988-89 California's 58 counties collected more than $13 billion in property taxes, including approximately $760 million derived from the value of public utility companies.

Hundreds of government programs, both at the state and local level, depend on Board-administered revenues.

The largest revenue source, the statewide sales and use tax, last year accounted for more than $16.9 billion dollars in income, representing about 85 percent of the Board's total tax collection. The remaining tax programs administered by the Board provided an additional $3.0 billion in revenues.

The state's portion of sales and use tax revenues make up thirty-five percent of the state's general fund. The legislature draws from this fund to support numerous government programs and services — such as schools and colleges, hospitals and health care services, criminal justice, correctional programs for youths and adults, social welfare programs, law enforcement, consumer services, resources management, and transportation and housing.

Besides supporting the state's general fund, a portion of the total sales and use tax revenue is returned to cities, counties, and districts for specific programs or general operations. Last year the Board returned more than $4.1 billion to local governments.

Each tax program administered by the Board is discussed individually in the Tax Programs *section of this report. A table summarizing Board-administered taxes and the funds they support can be found in the* Year in Review *section.*

Background

The constitutional amendment which established the Board of Equalization in 1879 also provided that it would be managed by a five-member elected board.

Board Origins

The Board of Equalization was created in 1879 by a constitutional amendment which charged the Board with responsibility for ensuring that county property tax assessment practices were equal and uniform throughout the state. That function gave the Board its name, although the name has never fully described the many duties and responsibilites of the Baord.

In 1911 voters approved another constitutional amendment which directed the Board to assess four new taxes, including corporation franchise taxes and insurance taxes. The Board had been in existence for only 32 years at the time, but its new duties represented only the beginning of many changes that would follow.

By far, the most significant change was the creation of the sales tax in 1933 — a tax created to offset the tremendous drop in property tax revenues brought on by the Great Depression. The use tax, created to protect California business from tax-free out-of-state competition, was established in 1935.

A chronology of the tax programs administered by the Board (some of which have been discontinued or transferred to other government agencies) is provided in the Appendix.

Board Members

The constitutional amendment which established the Board of Equalization in 1879 also provided that it would be managed by a five-member elected board.

Four of the Members are elected directly from legislatively defined districts within the state (see adjoining map). Each district represents approximately 7 million persons. The fifth Member, the State Controller, is elected at-large and serves in an *ex officio* capacity.

The term of office for each Member is four years, and all Members serve for the same four-year period. The next election of Members will occur in the November 1990 General Election, with each Member assuming office in the first week of January 1991.

EQUALIZATION DISTRICTS

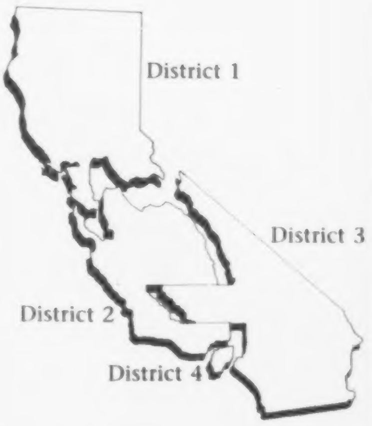
District 1
Alameda
Alpine
Amador
Butte
Calaveras
Colusa
Contra Costa
Del Norte
El Dorado
Glenn
Humboldt
Lake
Lassen
Marin
Mendocino
Modoc
Napa
Nevada
Placer
Plumas
Sacramento

District 2
Fresno
Kings
Los Angeles (Western and San Fernando Valley portions)
Madera
Mariposa
Merced
Monterey
San Benito
San Francisco
San Joaquin
San Luis Obispo
San Mateo
Santa Barbara
Santa Cruz
Stanislaus
Tulare
Ventura
Santa Clara
Shasta
Sierra
Siskiyou
Solano
Sonoma
Sutter
Tehama
Trinity

District 3
Imperial
Inyo
Kern
Mono
Orange
Riverside
San Bernardino
San Diego
Tuolumne
Yolo
Yuba

District 4
Los Angeles (Southern and Central portions)

Equalization Districts



Board Responsibilities

The primary responsibilities of the Board are to (1) adopt rules and regulations that clarify the laws it administers, and (2) act as an appellate body for the review of property, business, and income tax determinations.

A brief summary of the Board's responsibilities is given below.

The Board:

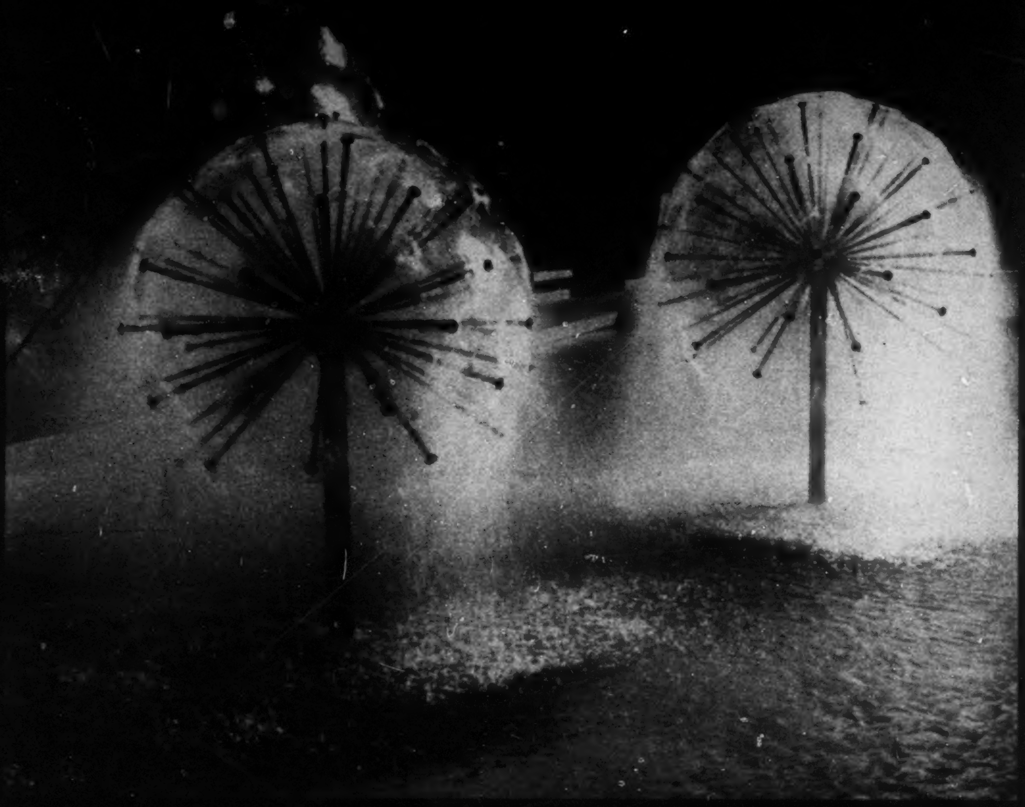
- Considers petitions for redetermination of business tax matters and the appeals of insurance companies under the Insurance Tax Law
- Considers appeals of assessments made by county assessors on lands, water rights, and certain improvements on property owned by local government but located outside its boundaries
- Serves as the appellate body in final actions of the Franchise Tax Board, for the state's Bank and Corporation Franchise Tax, the Personal Income Tax, and the Senior Citizens Property Tax Assistance Laws
- Develops and adopts capitalization rates to be used in the valuation of state-assessed utilities
- Classifies unitary and nonunitary properties of public utilities and determines the property values of each assessee for local property taxation
- Sets the electrical energy surcharge rate
- Fixes the 911 emergency telephone users surcharge rate determined by the Department of General Services
- Adopts rules and regulations
- Issues directives for the guidance of taxpayers, county assessors, and county assessment appeals boards
- Studies the operations of individual county assessor offices to determine their effectiveness
- Prescribes property tax forms and publishes handbooks for the assessors' use
- Publishes a law guide and a series of advisory tax publications which offer guidance to specific types of businesses to help them comply with tax law requirements
- Publishes a *Property Taxes Law Guide* for use by county officials and taxpayers in administering the property tax laws.

Meetings

The Board holds public meetings throughout the year—approximately 2-3 weeks apart. At least 10 meetings are held in Sacramento, with other meetings held as necessary in other California cities. In 1988-89 the Board met in Sacramento, Torrance, San Francisco, San Diego, and Santa Monica.

Since the rules and regulations adopted by the Board affect taxpayers in all types of business, the Board actively encourages public participation in their formulation.

YEAR IN REVIEW



Highlights

The *Srategic Plan* underscores the Board's belief that the public interest is best served through sound administration of the tax laws.

This year is marked by several significant developments, the most noteworthy being the adoption of a *Strategic Plan* for program planning and passage of the Harris-Katz Taxpayers' Bill of Rights.

Other significant developments or achievements included: the creation of an independent Appeals Unit, taxpayer educational seminars, an extended office hours pilot project, a conference on tax issues for the entertainment industry, a pilot mail-order auditing project, progress in forms automation, and the creation of a simplified and less expensive pamphlet on New District Taxes.

Those and other developments are summarized below.

Strategic Planning

In 1988 the Board adopted a mission statement committing the agency to providing informative and responsive services to taxpayers and to providing fair, firm, and uniform enforcement of tax laws.

The goals developed by the Board state that the agency will

- Collect revenues effectively
- Be dedicated to leadership in the field of taxpayer services and information
- Be dedicated to leadership in the field of tax administration
- Improve services and productivity
- Maintain an effective communications system
- Maintain a professional and knowledgeable staff
- Promote a cohesive, unified organization

Early in 1989 the Board finalized its first strategic plan for implementing its goals. The plan will enable the Board to respond aggressively to the many challenges and opportunities facing it.

The strategic planning process brought together managers from throughout the organization to define and articulate the organization's operating philosophy and vision for the future, to identify the significant issues which could impair or improve the Board's ability to attain its mission and goals, and to formulate strategies for dealing with those issues.

The *Strategic Plan* underscores the Board's belief that the public interest is best served through sound administration of the tax laws. It also emphasizes that this is best accomplished through programs which enable people to voluntarily comply with tax laws. As the plan states, "Providing quality services, products, and information to the public is essential, as is a firm enforcement program that ensures the public that everyone is paying their fair share."

The plan identifies seven strategic issues (i.e., challenges and opportunities) that must be addressed in order for the agency to achieve its mission and goals. Those issues are as follows: providing quality public service; ensuring compliance through education and enforcement; preparing for tax law change; ensuring an effective workforce; managing workload growth with limited resources; using advanced technology; and creating a quality workplace. Strategies have been adopted for dealing with each of those critical issues.

The *Strategic Plan* will provide continuing guidance to decision makers over the next several years and will be continually evaluated to determine whether new issues and strategies should be incorporated.

Taxpayers' Bill of Rights

The Harris-Katz Taxpayers' Bill of Rights (Assembly Bill 2833, Chapter 1574, Statutes of 1988) is an important milestone in the history of tax administration in California. The bill seeks to (1) ensure that the rights, privacy, and property of California taxpayers are adequately protected during the assessment and collection of taxes, and (2) promote improved voluntary compliance by improving efforts to inform the public of the proper application of those laws.

Among the bill's more important provisions is the requirement that the Board create a Taxpayers' Rights Advocate position to help resolve taxpayer complaints and problems. Stephen Rudd was selected for the position and began his appointment in October 1989. He will report directly to the Executive Director.

Other provisions of the bill require the Board to:

- Implement a taxpayer education and information program
- Identify areas of frequent taxpayer noncomplicance with the Sales and Use Tax Law
- Hold annual hearings to hear proposals from taxpayers for changes to the law
- Issue brief, simple publications explaining procedures, remedies, and the taxpayer's rights and obligations
- Disallow the evaluation of a Board employee based on the amount of revenue collected
- Evaluate employee performance regarding contact with taxpayers
- Make it convenient for taxpayers to have their appeals heard before the Board
- Disallow staff from conducting any investigation for nontax administration-related purposes

The Board enthusiastically supports both the spirit and the intent of the bill and is proud to report below on those activities undertaken to carry out its provisions (covering the period from its effective date, January 1, through June 30, 1989).

Annual Hearings

The measure requires the full Board to hold annual hearings where industry representatives and individual taxpayers may present proposals for changing the Sales and Use Tax Law. The annual meeting for 1989 was held in Sacramento on November 28. In addition, three other hearings were scheduled for San Francisco (cancelled due to October 17 earthquake), Santa Ana, and Torrance.

Procedures will be established to propose changes to statutes and regulations based on the information presented at the hearings.

Taxpayer Compliance

According to the Taxpayers' Bill of Rights, the Board is required to recommend ways to improve taxpayer education and communication and improve uniform administration. As indicated in its Strategic Plan, the Board is committed to finding ways to help taxpayers comply with tax laws. It aims to accomplish this by, among other things, providing improved forms and publications, by holding educational seminars and industry conferences, and by ensuring that employees are kept informed regarding changes in the law and procedures.

The Board is committed to finding ways to help taxpayers comply with tax laws.

The Board conducted a number of taxpayer education programs in 1989 at the San Francisco, Orange County, Downey, and San Jose District Offices.

Recommendations for improvements are provided below, along with examples of accomplishments for the year.

Publications

The Board is dedicated to improving the quality of publications and has hired professional editors to develop guidelines to improve the readability, tone, and design of the tax tip booklets and other publications. Tax tip booklets are used to explain the application of the law, the reporting of taxes, and the maintenance of records. A prototype of a new booklet which will address the needs of newly registered sellers is being developed.

A good example of the upgrading of publications which has begun is Pamphlet 44-A, *New District Taxes*. This new publication supplements Pamphlet 44, *Tax Tips for District Taxes*, but is produced and printed at a greatly reduced cost. In addition, the writing has been simplified, along with the layout, to make the document much easier to read and follow. The savings in printing and mailing costs during 1988-89 are estimated at $100,000.

The quarterly *Tax Information Bulletin*, which is distributed with quarterly tax returns, is the Board's primary vehicle for disseminating information of a broad nature to taxpayers. It reaches between 650,000 and 900,000 businesses with each issue and will be expanded to include articles regarding the major areas of error discovered in the data-gathering process of the previous quarter. The bulletin is also reviewed by editors to improve its readability.

Special Mailings

Based on the information available regarding recurring noncompliance errors by types of businesses, the Board will mail special notices to specific industries, offering possible solutions to problems encountered by members of those industries in complying with the Sales and Use Tax Law.

Seminars

Seminars to address specific subjects are planned and will be held at a time and location convenient to taxpayers. Board employees will also be encouraged to participate in pertinent business seminars conducted by federal, state, and local agencies.

The Board conducted a number of taxpayer education programs in 1989 at the San Francisco, Orange County, Downey, and San Jose District Offices. These programs consisted of a two-hour lecture course designed for owners of small businesses.

A special conference for the entertainment industry was held at Universal City in April 1989. The purpose of the conference was to help members of the industry understand the provisions of the newly enacted Senate Bill 1405 (Chapter 1157, Statutes of 1988) and how its provisions relate to existing regulations governing sound recordings and motion pictures. SB 1405 was a Board-sponsored bill designed to simplify the law and eliminate inequities within the law.

During the last year and one-half, staff have met with a variety of groups, including the California Optometric Association, California Manufacturers' Association, California Farm Bureau, catering truck operators, and the publishing industry. In November 1988 an industry conference was held for government contractors. Major industry conferences are planned as an annual event.

It is vital that the Board stay in touch with industries and work closely with them to develop current and workable regulations.

New Permittee Education

Staff are planning special handouts and will conduct classes for persons who are registering with the Board for the first time. The special handouts will include information of a general nature designed for all permittees and specific information designed to address the needs of particular groups.

Brochures on the taxpayers' rights and obligations as permit holders will be made available to each new taxpayer. Special handouts also will be distributed by district auditors to taxpayers experiencing difficulty in certain areas disclosed during an audit.

Ongoing classes will be held in district offices for taxpayers who may need (1) help in interpreting laws and regulation; (2) an explanation of the most common errors encountered in their businesses; (3) assistance in setting up records needed for reporting taxes and required in case of an audit; or (4) an explanation of the purpose of audits and what may be expected during an audit.

Training of Board Personnel

A course encompassing the changes in the Revenue and Taxation Code and in Board regulations occurring during the previous year will be held annually in the district offices. In addition, a formal class will be developed to update staff in the areas of noncompliance—based on information that will be gathered as required by the Taxpayers' Bill of Rights.

Changes in Statutes or Regulations

As the sixth largest economy in the world, California has a large and diverse industry base. In the more innovative industries it is difficult for the legislative process even to keep up with the rate of change which occurs. It is vital, therefore, that the Board stay in touch with those industries and work closely with them to develop current and workable regulations. As noted earlier, staff meet regularly with industry representatives to learn about the problems encountered in interpreting tax laws.

In addition, following the November 1989 public hearings, procedures will be established to propose changes to statutes or regulations based on information presented by industry representatives and taxpayers at the annual public hearings. (Information on the Board's legislative program for 1988-89 is found in the Legislation section of this report.)

Evaluating employee contacts with taxpayers

The Taxpayers' Bill of Rights requires the Board to implement a program to evaluate how employees and officers perform with respect to their contacts with taxpayers. In February 1989 the Executive Director instructed staff to develop such a program. Although the bill is limited only to employees who work with the Sales and Use Tax Law, managers from all departments have been asked to develop plans.

The following two surveys conducted in the spring of 1989 canvassed taxpayer perceptions of their treatment by the Board:

During a four-month pilot survey conducted in the Los Angeles area, businesses were asked to rate confidentially the overall audit process and to provide suggestions for improvement. Nearly 90 percent of those responding indicated they were pleased with the experience and satisfied with the results—even those found to owe the state additional monies.

In another four-month project, districts provided questionnaires to a sampling of taxpayers, who were asked to evaluate the services of the Board related to the registration process. The results from this pilot project showed an overwhelming approval of those services.

In addition, in fiscal year 1989-90 District Offices will be distributing questionnaires that ask taxpayers to evaluate employee conduct and Board services.

Areas of Noncompliance

The Board is required by the bill to identify areas of the Sales and Use Tax Law with which taxpayers are not complying and to report its findings in the annual report. Findings for the period January 1, 1989, through June 30, 1989, are summarized under "Business Taxes" in the Operations section of this report.

Other Developments

New Appointment

John William Hagerty

John William Hagerty was appointed as Deputy Director, Property Taxes, in January of 1989. The Property Taxes Department is responsible for overseeing county assessment practices, recommending values for railroad and public utility companies, and administering the state's Timber Yield Tax program.

Hagerty brings a wealth of management experience tothe job and has a long-time familiarity with state government, having served most notably as Executive Officer for the California Waste Management Board—part of an impressive 25 year career. A graduate of California State University, Sacramento, Hagerty has held high-level positions with the Department of Health Services, the Department of Social Services, and the Employment Development Department.

New Appeals Unit

In February 1989 the Board created a new Appeals Unit. It reports directly to the Executive Director and is totally independent of audit staff. It is staffed by hearing officers whose role is to conduct a fresh and independent review of the facts. Taxpayers who do not agree with the findings of a hearing officer may request a hearing before the Members of the Board.

Extended Office Hours

A pilot project to evaluate the demand for extended office hours was implemented in January in the Fourth Equalization District's offices in Arcadia and Hollywood. Offices were kept open until 7 p.m. on Thursdays. The pilot project was scheduled to end in June 1989 but was extended until December.

In the first six months of operation, 672 taxpayers took advantage of the later office hours. Most participants learned of the new hours by telephoning prior to their visit. Attractive posters and flyers in the lobbies of Fourth Equalization District Offices also informed the public of the new program. In addition, news releases and inserts included in quarterly tax returns mailed to businesses in the Fourth Equalization District publicized the pilot project.

Taxpayers and staff were surveyed to assess their attitudes and perceptions about the extended office hours. For the most part, the program received a warm reception from both groups. Taxpayer feedback will be used to determine whether it is beneficial to maintain later hours at some Board locations.

A Public/Private Effort to Assess Market Values

A new oversight committee has been formed to study the economic lives of machinery and equipment in high tech industries. (The economic life of business personal property determines its value and thereby its taxability.)

Believing it was important that all parties to the valuation equation be involved in studying the issue—industry, county assessors, and the Board of Equalization—the Board created an oversight committee with representatives from each group. The idea was to form a public/private partnership to come to the conference table and try to resolve differences of opinion on the market value of business personal property. It is hoped that agreements reached through this process will reduce the number of appeals and litigation and will foster a higher level of trust between parties.

New District Taxes

In November 1988 voters in Sacramento, Contra Costa and Riverside counties approved special transactions taxes in their districts. The one-half percent tax increase became effective on April 1, 1989, for Sacramento and Contra Costa, and on July 1, 1989, for Riverside. As of the effective dates, the total state, local, and county sales, use and transactions tax in Sacramento and Riverside counties rose to 6.5 percent, while it climbed to 7.0 percent in Contra Costa.

In November 1988 voters in Sacramento, Contra Costa and Riverside counties approved special transactions taxes.

Forms Automation

Automation has resulted in a further reduction in the number of forms used by the Board. Overall, about 500 forms have been eliminated in the last two years—bringing the total to approximately 2,300. Personal computers located throughout the agency are making it possible to merge multiple versions of a form into a single master form which can be customized on the computer.

Some forms are now totally electronic. For example, in the new Audit Management System paper has been replaced with a system involving the use of remote data entry and a form template contained in the mainframe computer.

Self-audit Programs for Specific Groups

In 1988-89 the Board initiated a self-audit program affecting members of the dental and chiropractic professions. The program was designed to explain to dentists and chiropractors the application of use taxes as they apply to purchases from out-of-state vendors. They were given notices explaining how the tax law worked and were given tax returns to voluntarily report any use tax liability they may have had. The program is similar to one conducted in the previous year for members of the eye care profession. Both programs were very successful.

Pilot Mail-Order Auditing Project

In 1988 the Board joined with eight other states in a pilot mail-order audit project. Each state agreed to complete approximately 15 audits of mail-order firms having nexus in their respective states. Auditors

Board-administered Revenues, 1988-89

(000 omitted)

REVENUE PROGRAM	AMOUNT COLLECTED	SERVICES OR FUND SUPPORTED
Business Taxes		
Sales and Use Tax		
• State (4.75%)	$12,649,147	State General Fund
• Local (1.25%) (cities, counties, redevelopment agencies)	3,289,637	General operations, redevelopment programs
• Special Districts (1/2 %)	1,001,122	Transportation or general operations
Fuel Taxes		
• Motor Vehicle Fuel License Tax	1,187,953	Construction and maintenance of public roads and mass transit systems
• Use Fuel Tax (diesel and other motor fuels)	154,515	
Alcoholic Beverage Tax	128,264	State General Fund
Cigarette Tax	230,889	30% to city and county governments 70% to State General Fund
Cigarette and Tobacco Products Surtax	329,168	For various programs, primarily health related
Energy Resources Surcharge	38,257	California Energy Commission
Emergency Telephone Users Surcharge	41,854	Cities, counties, local entities for emergency telephone systems
Hazardous Waste Program		
• Facilities and Generator Fees	53,180	Department of Health Services toxics program for the cleanup of toxic spills and abandoned dumpsites
• Hazardous Substance Tax	14,677	
Total Business Taxes	$19,118,663	
Property Taxes		
State-assessed Properties*	$760,006	Local government general operations
Timber Tax	19,854	Local government general operations
Private Railroad Car Tax	2,069	State General Fund
Total Property Taxes	781,929	
Grand Total	$19,900,592	

* County-assessed local property taxes collected by California's 58 counties exceeded $13.3 billion.

compile information on interstate mail-order firms having nexus in their respective states. Auditors compile information on interstate commerce sales to consumers located in participating states. This information is then forwarded to the appropriate state for use in collecting the applicable use tax.

This exchange of information is expected to provide additional revenue and encourage out-of-state retailers to voluntarily register and collect the California tax as a service to their customers.

Figures At-A-Glance

As of June 30

Business Tax Revenue

1987	$16.2 billion
1988	$17.3 billion
1989	$19.1 billion

Revenues to State General Fund

1987	$12.2 billion
1988	$13.1 billion
1989	14.2 billion

Registered Sellers Permits

1987	867,132
1988	880,216
1989	898,222

Total Taxable Assessed Property Values
(including homeowners' exemptions)

1988	$1.17 trillion
1989	$1.28 trillion
1990	$1.41 trillion

Sales and Use Tax Revenues

1987	$14.37 billion
1988	$15.48 billion
1989	$16.94 billion

Taxable Sales

1987	$224.2 billion
1988	$241.3 billion
1989	$260.4 billion

TAX PROGRAMS

BUSINESS TAXES

Sales and Use Tax
- State
- City and County
- Special Districts

Motor Vehicle Fuel License Tax
Use Fuel Tax
Alcoholic Beverage Tax
Cigarette and Tobacco Products Taxes
Insurance Tax
Energy Resources Surcharge
Emergency Telephone Users Surcharge
Annual Facilities and Generator Fees
Hazardous Waste Tax
Hazardous Substance Tax

PROPERTY TAXES

General Property Taxes
State-assessed Properties
Timber Tax
Private Railroad Car Tax

Business Taxes

The Board administers thirteen state and local tax programs involving various types of businesses or some aspect of commerce. In 1988-89 these programs generated $19.12 billion in revenues. The cost of administering these programs averaged 73 cents for each $100 dollars collected. (Tables located in the appendix include additional information on each tax program.)

Information about the tax programs administered by the Board is included in this section.

Sales and Use Tax

Retailers who sell tangible personal property in the state must pay sales tax. In addition, a use tax is collected for the storage, use, or other consumption of tangible personal property in this state if the property:

- Has been purchased from a retailer.
- Has not been subject to sales tax.

Normally, use tax rather than sales tax applies if the purchased property is shipped to a California consumer from another state. The rate for both taxes is the same.

Many exemptions from the sales and use tax exist. The most common exemptions include the following:

- Food for human consumption (other than hot prepared food)
- Prescription medicine
- Newspapers and periodicals
- Sales made in interstate commerce

The major transaction exempt from taxation is the sale for resale (wholesale).

Three levels of government receive sales and use tax revenues:

- State government
- Cities, counties, and redevelopment agencies
- Special districts

State Sales and Use Tax

The state sales tax was created by the legislature in 1933 to offset the drop in revenues resulting from the Great Depression. The use tax, created in 1935, was established to protect California retailers from unfair, tax-free, out-of-state competition.

Since April 1, 1974, the state sales and use tax has been 4.75 percent . That tax is collected simultaneously with the 1.25 percent city and county sales and use tax, resulting in a statewide uniform sales and use tax rate of 6 percent. Some counties have combined rates of 6.5 or 7 percent because special district taxes have been approved by voters in these counties (see City and County Sales and Use Tax).

During fiscal year 1988-89 revenues from the state sales and use tax totaled $12.65 billion, an increase of 8.4 percent from the previous year.

City and County Sales and Use Tax

Cities and Counties

Before 1955 cities and counties administered local sales tax ordinances. Those ordinances included varying tax rates and exemptions, depending on the city and county. In 1955 the legislature passed the Bradley-Burns Uniform Local Sales and Use Tax Law. That law authorized the Board of Equalization to collect a 1 percent sales and use tax for all California cities and counties.

By 1967 all cities and counties in California had contracted with the Board to collect sales and use taxes. Consequently, for the first time, the local sales and use tax rate was the same for all cities and counties throughout California.

Revenue from transaction (sales) and use tax, which amounted to $895.5 million in fiscal year 1988-89, is generally used for construction and maintenance, support for other public transportation projects, and highway construction and improvement

Today the law permits counties to impose a 1.25 percent rate and cities to impose a rate of up to 1 percent. The city sales and use tax rate is credited against the county rate so that the combined rate does not exceed 1.25 percent.

Three newly incorporated cities joined the sales and use tax collection program during the year: Apple Valley, Dana Point, and Hesperia.

In 1988-89 the Board returned the following revenue amounts:

- $2,586,498,260 in local sales and use tax revenues to 58 counties and 450 cities
- $645,804,571 in .25 percent revenue to 58 counties for county transportation purposes

Redevelopment Agencies

Beginning in 1981 cities were authorized to finance redevelopment projects by channeling sales and use tax revenue to redevelopment agencies.

Redevelopment projects receive a portion of the city sales and use tax according to an agreed-upon percentage. The Board allocates that money, identified by an area code, directly to the city's redevelopment agency.

As of June 30, 1989, redevelopment projects in eight California were receiving sales and use tax revenues, including:

- Alhambra
- Colton
- Huntington Park
- Irwindale
- Baldwin Park
- Corona
- San Marcos
- Torrance

In 1988-89 the Board distributed $12,018,358 in local tax revenues to those cities.

District Transactions (Sales) and Use Tax

Voters in several counties have approved an additional .50 percent transactions (sales) and use tax for special districts. The first transactions tax was approved in 1970 for the San Francisco Bay Area Rapid Transit District (BART) to pay for bonds and notes issued for construction of the BART system.

Revenue from transaction (sales) and use tax, which amounted to $895.5 million in fiscal year 1988-89, is generally used for construction and maintenance, support for other public transportation projects, and highway construction and improvement (see table on next page).

As of June 30, 1989, there were 15 special districts in the state, including the following six added during the year:

- Contra Costa Transportation Authority
- Inyo County Rural Counties Transactions and Use Tax
- Sacramento Transportation Authority
- San Benito County Council of Governments
- San Diego County Regional Justice Facility Financing Agency
- San Mateo County Transportation Authority

The provisions of the Transactions and Use Tax Law are similar to those of the Local Sales and Use Tax Law. However, some important exceptions exist, including:

- The transactions tax does not apply to sales of property made to purchasers for use outside the district if it is shipped to a point outside the district. The obligation to collect the tax is generally limited to retailers engaged in business in the district or making deliveries into the district.

- As of January 1, 1988, all retailers of registered vehicles, licensed aircraft and undocumented vessels are required to collect the district tax if the buyer registers the item in a special district.

During the fiscal year five counties had a combined rate of seven percent: Alameda, Contra Costa, Santa Clara, San Mateo, and San Diego. Alameda County and Contra Costa are part of the multi-county BART District and also have their own transportation authority. Santa Clara and San Mateo counties have both a transportation authority and a transit district. San Diego County has both a Regional Transportation Commission and a Regional Justice Facility Financing Agency.

The Superior Court of Riverside County declared the tax levied to support the San Diego County Regional Justice Facility Financing Agency unconstitutional on the grounds that it violated Proposition 13. Since this decision is not final, businesses in San Diego County are still required to pay tax at the rate of 7 percent.

In fiscal year 1988-89, a transportation commission tax will become effective in Riverside County.

With over 60 percent of all sales tax permits registered within special districts, nearly two-thirds of California's residents paid a sales and use tax rate of 6.5 or 7 percent during 1988-89.

Revenues Allocated to Special Districts, 1988-89

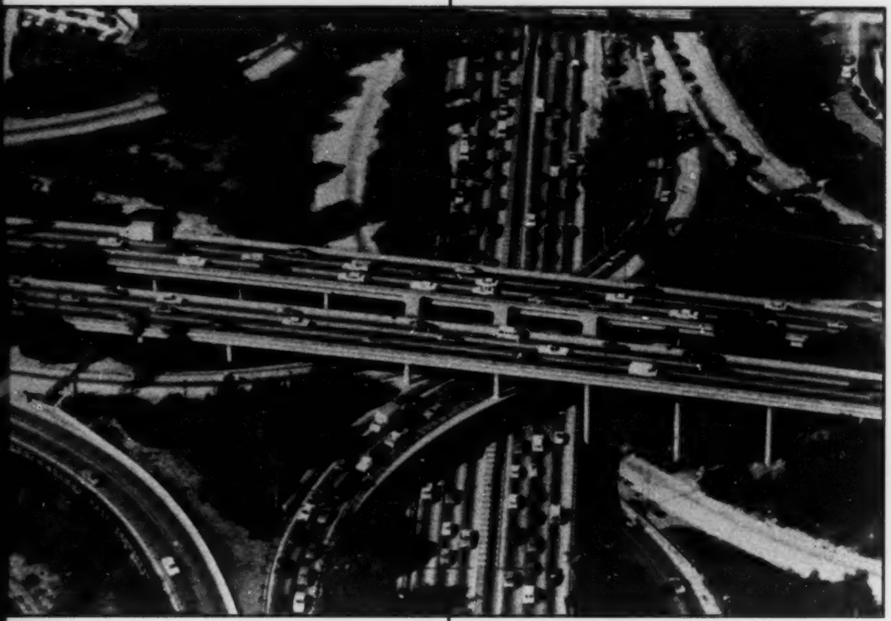
Name	Date Created	Allocated Revenues
Alameda County Transportation Authority	April 1, 1987	$ 54,587,856
Contra Costa Transportation Authority	April 1, 1989	2,307,861
Fresno County Transportation Authority	July 1, 1987	23,562,398
Inyo County Rural Counties Transactions Tax	October 1, 1988	759,916
Los Angeles County Transportation Commission	January 1, 1982	372,200,723
Sacramento Transportation Authority	April 1, 1989	3,257,033
San Benito County Council of Governments	January 1, 1989	312,969
San Diego County Regional Transportation Commission	April 1, 1988	95,891,042
San Diego County Regional Justice Facility Financing Agency	January 1, 1989	27,650,544
San Francisco Bay Area Rapid Transit District	April 1, 1970	137,743,316
San Mateo County Transit District	July 1, 1982	31,505,210
San Mateo County Transportation Authority	January 1, 1989	8,399,273
Santa Clara County Traffic Authority	April 1, 1985	82,641,373
Santa Clara County Transit District	October 1, 1976	82,947,366
Santa Cruz Metropolitan Transit District	January 1, 1979	8,916,977

Motor Vehicle Fuel License Tax

Gasoline

The motor vehicle fuel license tax applied to gasoline is an important source of revenue for the state. Revenues from this tax are used to construct and maintain public roads and mass transit systems. The current rate of tax on gasoline is nine cents per gallon.

The motor vehicle fuel license tax is imposed on the first distribution of gasoline in California; that is, the tax is collected by distributors when gasoline is first sold in this state (usually after the gasoline has been imported into California or refined from crude oil).



Motor vehicle fuel license tax collections for 1988-89 totaled $1,186,811,000 based on the distribution of 13.2 billion gallons of gasoline.

Aircraft Fuel

Sales of jet fuel in California to a jet fuel user are subject to the aircraft jet fuel tax, which is currently two cents per gallon. A jet fuel user is a person who operates a jet aircraft in California. Exemptions for this tax exist on sales to common carriers, the armed forces of the United States, and certain other purchasers.

Aircraft fuel tax collections for the year totaled $1,142,000, based on the distribution of 53.6 million gallons of fuel.

Additional information on gasoline and jet fuel usage trends may be found in the Economic Analysis *section* .

Use Fuel Tax

The use fuel tax is imposed on the use of diesel, propane, and other fuels used to operate motor vehicles. As of June 30, 1989, the tax rate was:

- Nine cents per gallon of diesel and similar fuels
- Six cents per gallon of liquefied petroleum gas, liquefied natural gas, or compressed natural gas
- Seven cents per 100 cubic feet of compressed natural gas
- Four and one-half cents per gallon of ethanol and methanol containing not more than 15 percent gasoline or diesel fuels

The Use Fuel Tax does not apply to various types of fuel, including gasoline and gasohol, which are taxed under the Motor Vehicle Fuel License Tax Law. Nor does the Use Fuel Tax apply to fuel used in the following ways:

- For purposes other than to drive a motor vehicle on public roads
- In certain motor vehicles operated off the highway and in farm and construction vehicles exempt from registration

Fuel used by local school districts and certain bus operators is exempt from all but a one-cent-per-gallon tax.

The owner or operator of a vehicle propelled by a system using liquid petroleum gas or liquid natural gas may pay an annual flat rate based on the type or weight of the vehicle instead of the tax per gallon.

In fiscal year 1988-89 a total of $157,785,000 was collected in use fuel tax from 82,830 user and 3,173 vendor use fuel tax permit holders.

Alcoholic Beverage Tax

The Alcoholic Beverage Tax is an excise tax collected on the sale, distribution, or importation of alcoholic beverages in California.

All persons selling, manufacturing, or importing alcoholic beverages in California must register with the Department of Alcoholic Beverage Control to do business in California. Those persons are automatically registered as taxpayers by the Board of Equalization for excise tax purposes.

The Board has been responsible for administering the excise taxes on alcoholic beverages since 1933. It processes all alcoholic beverage tax determinations, redeterminations, and refunds.

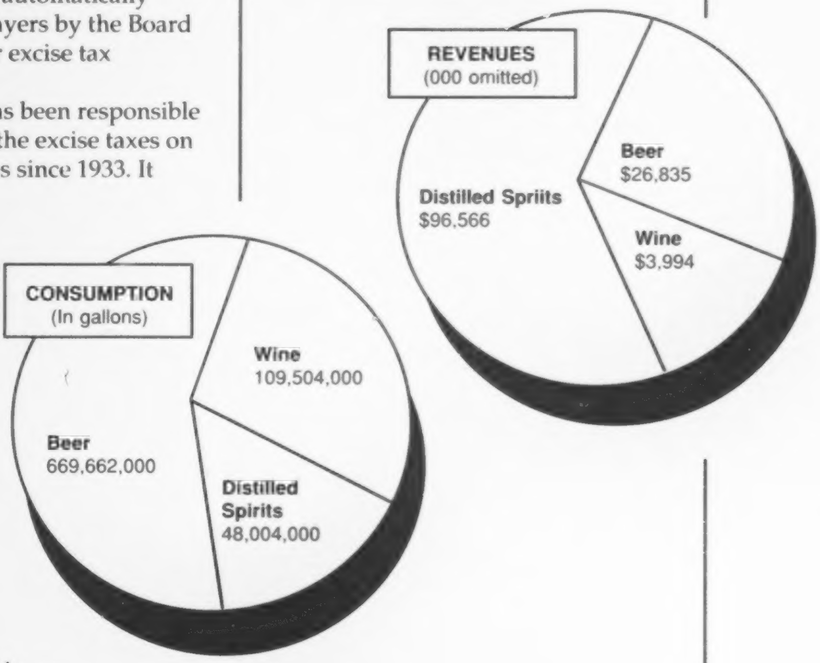
The following tax rates apply to various categories of alcoholic beverages:

- **Distilled spirits**. $2 per gallon (100 proof or less) and $4 per gallon (over 100 proof)
- **Beer**. Four cents per gallon
- **Wine**. One cent per gallon (14 percent or less alcohol) and two cents per gallon (over 14 percent alcohol)
- **Champagne and sparkling wine.** 30 cents per gallon
- **Sparkling hard cider**. Two cents per gallon

Beer sales have increased in some years and declined in others. Wine sales have declined over the last several years, as have sales of distilled spirits. Consequently, revenues from the alcoholic beverage tax have declined throughout the decade.

The revenue collected from those taxes is deposited in the Alcoholic Beverage Tax Fund. Revenues for 1988-89 totaled $127,395,000.

Alcoholic Beverages Tax



Cigarette and Tobacco Products Taxes

In November 1988 voters passed Proposition 99, which resulted in an increase in the excise tax on cigarettes. The proposition also resulted in a new tax on other tobacco products, including cigars, chewing tobacco, pipe tobacco, and snuff.

Revenue from the tobacco products tax and the additional tax applied to cigarettes can be used only for the following purposes:

- Treatment of and research into tobacco-related diseases
- School and community health education programs about tobacco
- Fire prevention

Effective January 1, 1989, a new excise tax was imposed on the distribution of other types of tobacco products such as cigars, chewing tobacco, pipe tobacco, and snuff.

- Environmental conservation and damage restoration programs
- Some unallocated funds

Thirty percent of the remaining revenue collected under the cigarette tax program is allocated to city and county governments according to a formula based partly on population and partly on distributions of city and county sales and use tax revenues.

Cigarette Tax

Effective January 1, 1989, the state cigarette tax rate was increased from $.005 per cigarette to $.0175, or from ten cents to 35 cents per package of 20 cigarettes.

The cigarette tax is paid through the sale of tax stamps to cigarette distributors. (Stamps are available from banks that have contracted with the Board. Licensed distributors are allowed a discount of 0.85 percent of the value of the stamps.)

Sales of cigarettes by manufacturers to distributors are exempt as are sales by original importers to a licensed distributor when the cigarettes are manufactured outside the United States.

Cigarette tax revenues during 1988-89 totaled $499,712,000. Local governments received $69,267,000.

In the last decade, the yearly *per capita* consumption of cigarettes has decreased from 130 packages in 1977-78 to 84.8 packages in 1988-89.

Tobacco Products Tax

Effective January 1, 1989, a new excise tax was imposed on the distribution of other types of tobacco products such as cigars, chewing tobacco, pipe tobacco, and snuff.

The rate of the Tobacco Products Tax is determined annually by the Board of Equalization and is equivalent to the total excise tax on cigarettes. The annual determination is based on the wholesale cost of tobacco products as of March 1, and the new tax takes effect during the state's next fiscal year.

The initial rate in effect from January 1, 1989, through June 30, 1989, was set by the Board at 41.67 percent. The rate for 1989-90 has been set at 37.47 percent.

During fiscal year 1988-89 Tobacco Products Tax revenues totaled $9,994,000.

Insurance Tax

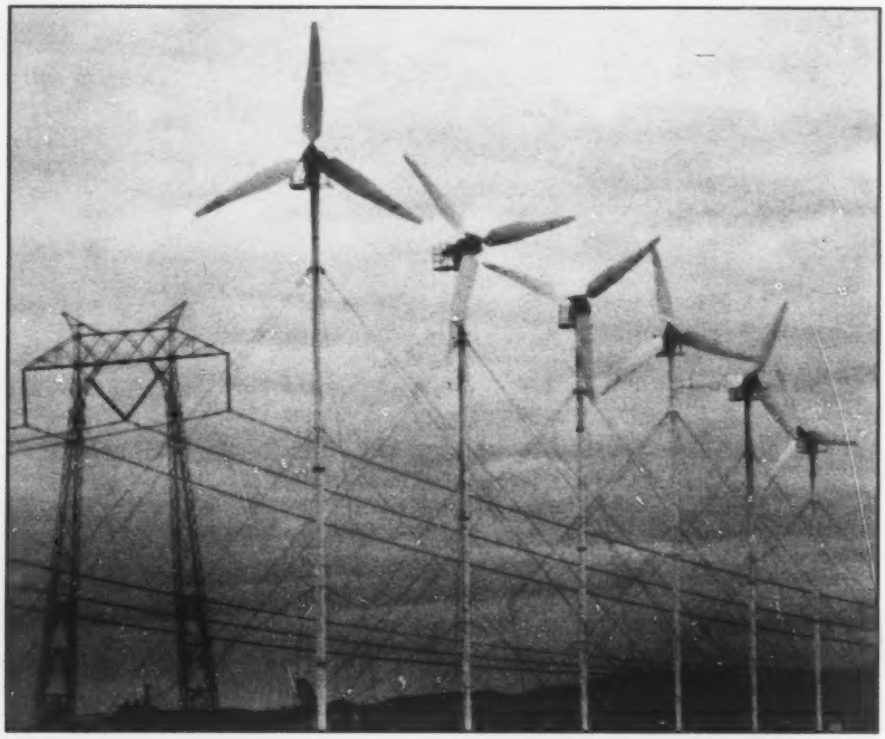
Insurance companies conducting business in California are assessed an insurance tax based on the gross amount of premiums for insurance sold in California. Ocean marine insurance, while excluded from the taxation on gross premiums, is taxed on underwriting profits.

The insurance tax is levied against insurance companies in lieu of all other taxes except license fees and real estate taxes. Out-of-state insurers are assessed an additional tax if the tax rate in their home state is higher than in California.

The Board of Equalization, the State Controller, and the Department of Insurance jointly administer this tax. The Board issues all tax assessments based on information it receives from the Department of Insurance. The present rate on nonqualified premiums is 2.35 percent.

In November 1988, Proposition 103 was passed by California voters and called for a 20 percent rollback in premium rates. The rollback provision (and other aspects of Proposition 103) are being challenged in the courts. When the case is concluded, the tax rate may be adjusted to collect the required amount .

Insurance tax assessments on 1988 business totaled $1,084,754,000,



a 0.4 percent decrease from assessments made on 1987 business.

Energy Resources Surcharge

The Energy Resources Surcharge is based on the consumption of electrical energy by California consumers. Revenues are placed in the Energy Resources Programs Account and are used for ongoing energy programs and projects, including the State Energy Resources Conservation and Development Commission.

The Energy Resources Surcharge is imposed at the rate of two-tenths of a mill (0.0002) per kilowatt hour. The tax is collected from consumers and paid to the Board by the 52 electric utilities operating in California. In addition, 28 public institutions and water districts and irrigation districts remit the surcharge to the Board for energy purchased directly from the federal government.

Energy surcharge collections during 1988-89 totaled $38,086,000.

Emergency Telephone Users Surcharge

The Emergency Telephone Users Surcharge provides funds for counties, cities, and other local entities to use in implementing and operating the 911 emergency telephone system. Through the 911 emergency telephone system, persons may call for police, fire, medical, and rescue assistance from anywhere in the state.

During 1988-89 the surcharge was imposed at the rate of 0.5 percent on the charges for intrastate telephone communication services. Every telephone service supplier is required to collect the surcharge from the service user at the time the bill for telephone service is collected.

Collections for the year totaled $41,588,000.

Hazardous Waste Tax Programs

The Board of Equalization works with the Department of Health Services to develop, implement, and administer three hazardous waste tax programs. Those programs include Annual Facilities and Generator Fees, the Hazardous Waste Tax Program, and the Hazardous Substance Tax Programs.

In fiscal year 1988-89, $54,306,894 was collected from all three programs. That revenue is used to:

- Reduce, treat, and recycle hazardous waste.
- Develop methods for disposing residuals of hazardous waste treatment activities.

Information about each hazardous waste program follows.

Annual Facilities and Generator Fees

An annual hazardous waste facility fee, based on the size of the facility, is collected from persons who operate hazardous waste facilities. Those facilities are licensed by the Department of Health and used to store, treat, or dispose of hazardous waste. Facility fees collected in 1988-89 totaled $9,970,734.

An annual fee is also collected from persons who generate hazardous waste at a specific site and do not own or operate a hazardous waste facility at the same site. The fee is based on the total amount of hazardous waste generated, regardless of its final disposition. Fees collected from generators of hazardous waste totaled $17,919,502 in 1988-89.

Hazardous Waste and Substance Taxes

Persons who generate hazardous waste and dispose of those wastes on or into the land must pay both a hazardous waste and a hazardous substance tax. In some cases the facilities receiving hazardous wastes may be liable for the tax. In addition, those persons must register with and annually report to the Board information about their waste disposal activities.

In fiscal year 1988-89 the base tax rate was set at $64.35 per ton of hazardous waste. All other tax rates were based on this rate and ranged from $3.22 to $128.70 per ton, depending on the category of waste and method of disposal.

Waste generated in but disposed of out of California is taxed at the rate of $32.18 per ton. That tax is paid to the Board on a quarterly or semiannual basis. The total hazardous waste tax collected during 1988-89 was $26,366,657.

Revenue collected from the Hazardous Substance Tax is deposited into the state's Superfund account and is used to clean up toxic spills and abandoned dump sites. Each $1 million of revenue collected through the hazardous substance tax is matched by $9 million from the federal government's Superfund.

The tax rate, determined by the method of disposal used, is based on the rate for landfill disposals. In fiscal year 1988-89, the rate for landfill disposals was set at $51.50 per ton.

The rate for all other categories of disposals were a percentage of that rate. However, certain categories, such as incineration or dechlorination, are taxed at a lower rate to encourage ecologically sound disposal methods.

A total of $17,136,000 in hazardous substance taxes was collected for fiscal year 1988-89.

Property Taxes

Last year the state's 58 counties collected more than $13 billion in property tax revenues. Although the Board of Equalization does not directly collect these taxes, it does oversee the assessment standards and practices of each county assessor.

The Board directly assesses the property of nearly 300 privately owned public utilities. These state-assessed values are used by counties to collect local property taxes.

In addition, the Board administers the Timber Yield Tax and the Private Railroad Car Tax.

Information on the administrative responsibilities of the Assessment Standards, Valuation, and Timber Tax divisions can be found in the Operations section of this report.

General Property Taxes

The table on the next page summarizes local property tax activity since fiscal year 1978-79. The figures indicate that county property tax revenues have increased at an average annual rate of 9.0 percent in the last three fiscal years.

The passage of Proposition 13 in 1978 drastically altered the way in which properties were assessed for tax purposes. This amendment limits the property tax to one percent of taxable value and places a cap of no more than two percent on annual increases. It allows real property to be appraised at its current market value if there is a change in ownership or new construction.

As a result of the passage of Proposition 13, county property tax revenues fell by 52 percent in one

TABLE A
GENERAL PROPERTY TAX: ASSESSED VALUE OF TANGIBLE PROPERTY, TANGIBLE PROPERTY TAX LEVIES, AND AVERAGE TANGIBLE PROPERTY TAX RATES, 1979–80 TO 1989–90

	Assessed Values [a]				*Property Tax Levies* [b]			
Fiscal Year	*Gross (000 omitted)*	*Annual Change As %*	*Net Taxable* [e] *(000 omitted)*	*Annual Change As %*	*Amount (000 omitted)*	*Annual Change As %*	*Nominal Average Property Tax Rate* [d] *(in percent)*	*Property Tax Relief* [c] *(000 omitted)*
1979–80	135,715,402	13.5	120,766,684	14.4	5,661,081	12.4	4.69	988,916
1980–81	147,923,741	9.0	137,570,471	13.9	6,360,276	12.4	4.63	1,337,588
1981–82	672,280,561 [f]	13.6 [f]	628,789,188 [f]	14.2 [f]	7,185,005	13.0	1.144 [f]	1,314,372
1982–83	752,571,724	11.9	707,690,851	12.6	8,007,037	11.4	1.131	1,347,377
1983–84	814,164,230	8.2	767,806,601	8.5	8,634,771	7.8	1.126	1,129,181
1984–85	897,322,118	10.2	848,937,474	10.6	9,437,483	9.3	1.113	946,929
1985–86	988,036,052	10.1	938,411,637	10.5	10,274,050	8.9	1.096	918,059
1986–87	1,080,081,614	9.3	1,027,995,266	9.5	11,125,581	8.3	1.083	919,487
1987–88	1,189,222,599	10.1	1,133,835,180	10.3	12,203,544	9.7	1.078	919,782
1988–89	1,301,461,244	9.4	1,243,762,796	9.7	13,307,539	9.0	1.070	878,202
1989–90	1,441,275,643	10.7	1,380,365,567	11.0	n.a.	n.a.	n.a.	n.a.

[a] Includes locally taxable state-assessed property, but excludes the railroad rolling stock of companies other than railroads, which is subject to a state property tax in lieu of local taxes. Gross values include all exempt values for which exemption claims are required (except cemeteries) and the exempt value of business inventories prior to 1980-81 when such property became totally exempt (see footnote e); net taxable values exclude these exemptions. For further detail, see Appendix Tables 4-178.

[b] Property tax relief payments by the state to local governments, sometimes viewed as state payments of property taxes, are excluded.

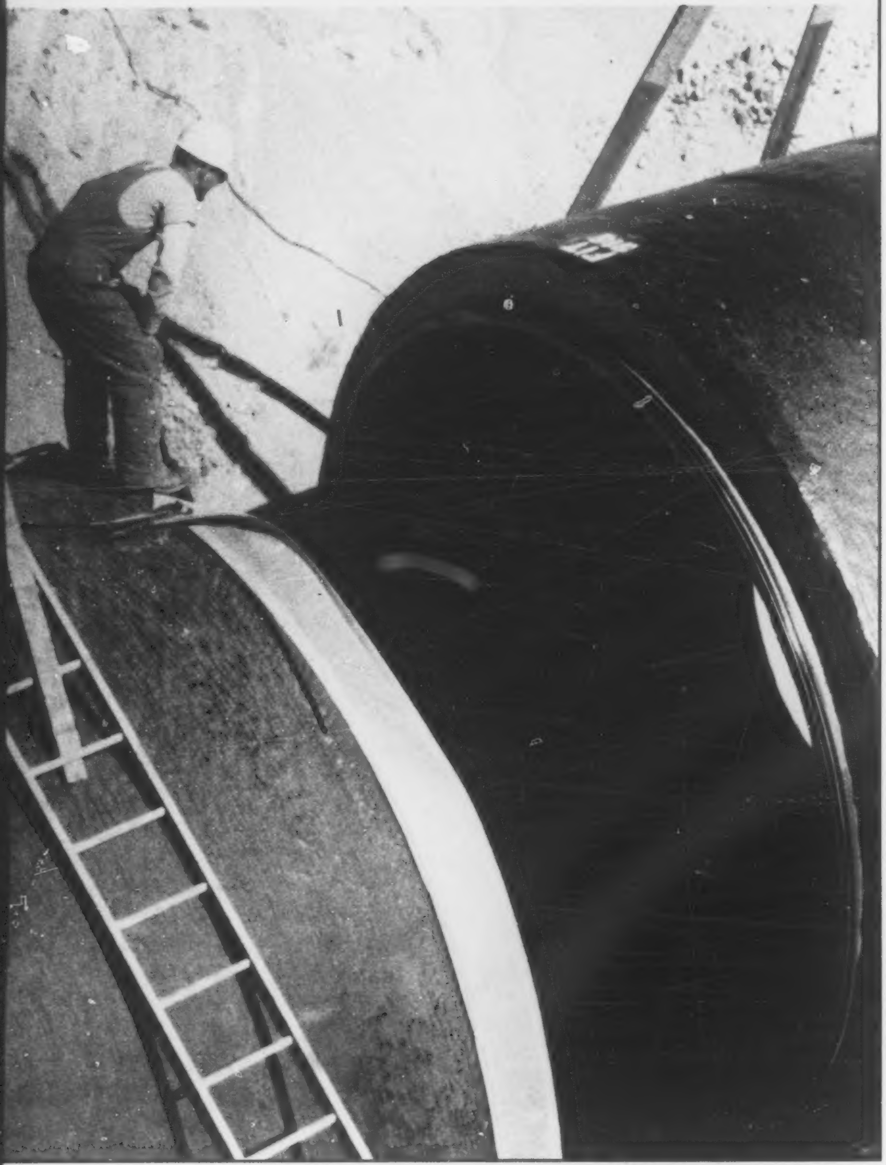
[c] Includes state payments to local governments for all reimbursable exemptions, plus senior citizens' tax assistance. During 1988–89 the state allocated the following amounts to local governments to cover these: homeowners, $348,392,778; renters, $486,232,360; open-space lands, $14,468,242; senior citizens total, $29,108,848 (property tax assistance, $11,269,427 and renters' tax relief, $17,839,421). These amounts total $878,202,228. Reimbursements for the exemption of business inventories were eliminated beginning in 1984-85.

[d] Property tax levies divided by assessed values representing varying percentages of market value. Beginning with 1978-79 an effective tax rate computed by dividing property tax levies by the estimated market value of net taxable properties can no longer be calculated, since assessed values are not based on market values.

[e] The growth in net taxable valuation was sharply reduced by the homeowners' exemption ($750 of assessed value from 1969-70 to 1972-73 and $1,750 beginning in 1973-74), and the business inventory exemption (15% of assessed value in 1969-70; 30% during 1970-71 to 1972-73; 45% in 1973-74; 50% from 1974-75 to 1979-80; and 100% beginning in 1980-81. For 1989-90, the homeowners' exemption accounted for $32,146,177,000 of assessed value.

[f] The ratio of assessed value to taxable value was changed to 100 percent (from 25 percent) beginning with the lien date of 1981-82. The percent change was computed after factoring the 1980-81 valuations to 100 percent of value.

n.a. Not available



year, declining from $10.3 billion dollars in 1977-78 to $5.04 billion in 1978-79. Fiscal year 1986-87 marked the first year in which property tax revenues exceeded those collected before the passage of Proposition 13.

State-assessed Properties

Although most property appraisals are made by county assessors, some properties are appraised by the Board of Equalization. The values adopted by the Board for these state-assessed properties are used by the counties for the collection of local property taxes.

The total value of the state-assessed roll for 1989-90 is $69.7 billion—down two percent from the previous year. The reduction was primarily the result of audit adjustments rather than decreased values. This roll will generate approximately $741 million in local property tax revenues for the state's 58 counties during 1989-90.

The following properties are assessed by the state:

- Pipelines, flumes, canals, ditches and aqueducts lying within two or more counties
- Property, except franchises, owned or used by regulated railway, telegraph, or telephone companies, or railroad car companies whose cars are used on railways within the state
- Property owned by companies transmitting or selling gas or electricity within the state

When preparing value indicators, the Valuation Division staff usually provides the Board with three indicators of value: historical cost less depreciation, income, and stock and debt. The staff also provides the Board with replacement cost figures and, in some cases, figures derived from comparative sales or salvage value analyses.

During the year, the Valuation Division staff prepared estimates of market value for 285 state assessees:

- 13 gas and electric companies
- 211 telephone companies (including radio and cellular telephone companies)
- 32 pipelines
- 29 railroads

Property values on the state-assessed roll are allocated by the Board to the counties where the property is physically located. The counties are required to tax the state-assessed property within their jurisdiction at the same rate as locally assessed property—approximately 1 percent of assessed value plus a small amount for outstanding bonded indebtedness.

Beginning in 1988-89, operating properties of state assessees are taxed at the prior year's countywide average tax rates.

See the Appendix for assessed values of individual utility companies.

The Board's appraisal methodology and the level of assessments of rail transportation properties have been under long-term federal litigation based on the Federal Railroad Revitalization and Regulatory Reform Act (4R Act).

On April 28, 1987, the United States Supreme Court in *Burlington Northern Railroad Company* v. *Oklahoma Tax Commission* decided that the federal courts are empowered to hear and decide valuation issues. As a result, California cases pending in the Federal Circuit Court of Appeal will now return to the federal district court for implementation and resolution of the issue concerning the assessment ratio to be applied to each of the years involved.

The outcome of these cases will have a significant impact on the level of assessments of rail transportation properties.

For 1988-89, the Board applied a 68 percent assessment ratio to the value of all rail transportation property in an effort to remove the equalization issue from possible petitions for reassessment and eliminate further costly litigation.

Timber Tax

The Board has administered the Timber Yield Tax Program since 1977. The tax is self-assessed by timber owners who determine their tax liability based upon a harvest value schedule which is prepared twice a year by the Board.

The yield tax rate has been 2.9 percent since 1982. This rate is reviewed in December of each year and is adjusted if necessary to reflect changes in the average tax rate of timber counties.

At the end of the 1988-89 fiscal year there were nearly 1800 active California timber owners registered with the Board, compared to nearly 1600 in the previous year.

The total tax collected from these owners for calendar year 1988 was $20 million based on a total timber harvest value of $669 million. The previous year's tax yield was $17 million.

The Timber Tax Division, operating through offices in Eureka, Redding, and Sacramento, assists timber owners with their registration and reporting requirements and reviews their assessments through verification audits.

Revenue from the Timber Yield Tax is distributed to the counties of origin of cut timber by the State Controller.

The Forest Taxation Reform Act, which became effective April 1, 1977, created the Timber Yield Tax, replaced the ad valorem method of taxing timber. Under the ad valorem method immature timber was exempt for the first 40 years after planting.

To avoid paying taxes owners often harvested their timber before it was fully mature. The new law removed the incentive to harvest immature timber.

The 1977 Reform Act also created a Timber Advisory Committee which reviews recommended harvest value schedules for adoption by the Board.

The committee is appointed by the Board and includes a Member of the Board (or a designee), a Board of Forestry representative, five assessors, a representative for small-scale timber owners, and a representative for large-scale owners.

The five assessors currently serving on the committee are from Del Norte, Humboldt, Mendocino, Siskiyou, and Tehama counties.

Additional information on the timber tax, including market values and the volume of sawlogs harvested, can be found in the Appendix.

Private Railroad Car Tax

The tax on privately owned railroad cars is the only property tax that is directly levied, collected, and retained by the state. Revenues from this tax, which totaled $2.069 million in 1988-89, are deposited in the state's general fund.

The private railroad car tax is applied to railroad cars owned by companies that haul their own products, lease cars to other shippers, or provide a fleet of cars for a fee. The tax itself is based on the value of the cars, the length of time they remain in the state, and the average statewide property tax rate for the previous year.

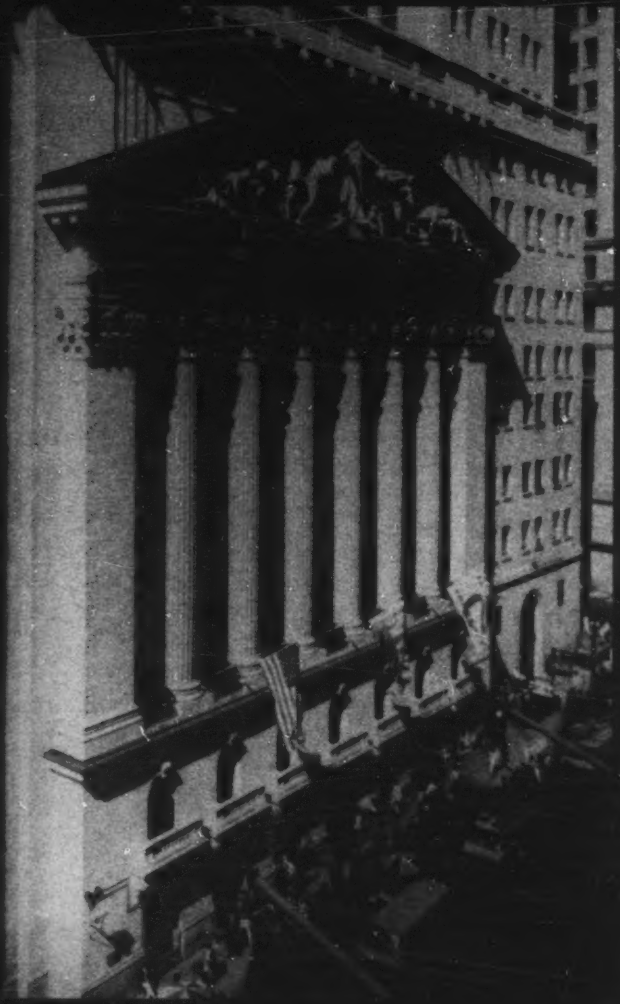
Responsibility for appraising, billing, collecting taxes, and issuing refunds rests with the Board's Valuation Department.

The Board's appraisal methodology and the level of assessments of rail transportation properties have been under long-term federal litigation based on the Federal Railroad Revitalization and Regulatory Reform Act.

As a result, beginning in 1988-89 the Board applied a 68 percent ratio to the value of rail transportation properties, including private railroad cars.

Additional information on revenues from the Private Railroad Car Tax can be found in the Appendix and in the Tax Programs sections of this report.

ECONOMIC ANALYSIS



During fiscal year 1988-89 the United States entered its seventh consecutive year of economic growth. That event is unprecedented during the nation's peacetime history.

National Perspective

During fiscal year 1988-89 the United States entered its seventh consecutive year of economic growth. That event is unprecedented during the nation's peacetime history.

There have been longer periods of economic expansion, but those occurred during wartime. The longest began in 1961 and continued for 106 months through the rest of the decade.

The Vietnam War and the attendant federal budget deficits provided the fiscal stimulus to enable that expansion to continue as long as it did. It should be pointed out however, that while the current expansion is a peacetime record, it has been accompanied by massive and persistent budget deficits normally associated with major war efforts.

The Gross National Product (GNP) grew 3.5 percent, after adjusting for inflation, during fiscal year 1988-89. This is down from the 4.5 percent rate registered in fiscal 1987-88, but still represents a strong gain by historical standards.

Predictions that the October 1987 stock market crash would cause the economy to falter have been thoroughly discredited and seem like a distant memory today.

Quarterly growth rates during the fiscal year did not deviate significantly from the annual figure of 3.5 percent. The third and fourth quarters of 1988 showed annualized advances of 3.2 percent and 2.7 percent respectively. For the first half of 1989, GNP grew 3.7 percent during first quarter and 2.7 percent in the second quarter.

Analysts note however, that the first quarter was actually considerably weaker than the official numbers indicated. They point out that much of the 3.7 percent recorded gain was due to economic fluctuations in agricultural output caused by the 1988 drought. Excluding the effects of the drought, economic growth slowed to under 2 percent in first quarter 1989.

The second quarter 1989 rebound to 2.7 percent growth is encouraging in that it indicates the Federal Reserve may be succeeding at slowing the economy to a sustainable, less inflationary pace while at the same time avoiding a recession. The proper level, many economists feel, is in the range of 2.5 to 3 percent.

Recessionary Factors

The nation can ill afford a serious recession at this time. Efforts to reduce the persistently large federal budget deficit depend on continued growth to provide increased tax revenues. The level of the deficit has resisted improvement for nearly three years, seemingly stuck near the $150 billion level. That figure would almost certainly soar beyond $200 billion in the event of a recession.

Also, the accumulation of debt in the private economy throughout the mid and late 1980s has made the nation more vulnerable to the effects of a recession. Numerous observers worry that many of the so-called junk bonds issued in recent years through leveraged buyouts, restructurings, takeovers and the like, would default in the event of a recession.

Many of these deals have been predicated on optimistic assumptions and forecasts, some of which are already falling short of expectations despite a generally healthy economy. In a recessionary environment more and more corporations may find cash flow inadequate to meet their interest obligations.

Another concern is the impact that a serious economic slowdown could have on the country's financial institutions. The savings and loan industry in particular has been experiencing monumental difficulties. The cost of bailing out failed thrifts could go well beyond current estimates if the economy stumbles.

Consumer spending was fairly healthy during fiscal 1988-89. Personal Consumption Expenditures (PCE) were up 3.0 percent for the year after adjustment for price increases.

Spending slowed as the fiscal year progressed with sales of durables (automobiles in particular) falling markedly in early 1989. PCE grew at annual rates of 3.3 and 3 percent respectively during the third and fourth quarters of 1989. The first and second quarters of 1989 posted gains of only 2.0 and 2.2 percent.

Inflation became a major concern among many economic observers as the pace of price increases accelerated significantly in the first half of 1989.

Nationally, prices as measured by the Consumer Price Index (CPI) stood 5.2 percent higher in mid-1989 compared to mid-1988. Prices rose 3 percent in the first six months of 1989, after increasing only 2.1 percent in the final six months of 1988.

Several factors contributed to the stepped-up inflation rate. Sharp increases in energy and food prices were behind much of the CPI increase. Hopefully, those price shocks are of a temporary nature as these items tend to fluctuate on a cyclical basis.

More worrisome is the speed-up in prices of services. Inflation in the first half of 1989 was higher for services than for goods. Anti-inflationary monetary policy during fiscal 1988-89 has had its major impact on the goods sector. Lower demand for durables, such as automobiles, has slowed the rate of price increases.

However, the service economy has experienced little slowing. The labor markets for many skills in the service sector (health care workers for example) are tight, and wages are rising faster than in the economy as a whole.

During the fiscal year 1988-89 wages rose 5.9 percent in the service sector as compared to only 2.9 percent in the manufacturing sector. While increased costs in manufacturing can often be partially or wholly offset by increases in productivity, this is generally not the case in services. Increased wages are normally passed on through higher prices.

Attention has been focused on the actions of the Federal Reserve Board in recent months. Its control of monetary policy makes it virtually the sole governmental body with any influence on inflation because fiscal policy has long been paralyzed by inaction on the budget deficits.

The Fed has had the difficult task of trying to balance its policies to subdue inflation while at the same time avoiding a recession. This goal is what has become popularly referred to in the financial news media as a soft-landing.

Whether the nation achieves the economic nirvana of the soft-landing or finds the landing a bit bumpier is open to debate. Analysts from both viewpoints call attention to evidence which supports their predictions.

Optimists note that the Federal Reserve Board's gradual tightening from March 1988 to June 1989 is beginning to show positive results and that the easing of monetary policy and the concomitant drop in interest rates during June will sustain the economy well into the future.

Other observers claim that the Federal Reserve Board kept a tight rein on the money supply and held interests rates high for too long and that the recent easing is too late to

Consumer spending was fairly healthy during fiscal 1988-89. Personal Consumption Expenditures (PCE) were up 3 percent for the year after adjustment for price increases.

The U.S. trade deficit shrank over the previous year. Imports of all goods and services exceeded exports by $60.9 billion during fiscal year 1988-89 compared to $96.9 billion the prior twelve months.

prevent an outright recession in late 1989 or early 1990.

Regardless of where the economy heads from here, there was a lot of good economic news during the year. Wage and salary employment continued to grow strongly to reach a record 108,560,000 in June 1989, a 2.8 percent increase over June 1989. The nation's unemployment rate remained at the lowest levels of the 1980s, coming in at 5.2 percent during June 1989 compared to 5.3 percent in June 1988.

The U.S. trade deficit shrank over the previous year. Imports of all goods and services exceeded exports by $60.9 billion during fiscal year 1988-89 compared to $96.9 billion the prior twelve months. The growth in exports was 18.6 percent, while imports grew much slower with a 9.5 percent increase.

The stock market continued to recover from the October 1987 crash during fiscal year 1988-89. It experienced little of the volatility that occurred in the prior year.

During the latter half of 1988 the market basically moved sideways, generally stuck in the rage of 2,000 to 2,200 as measured by the Dow Jones Industrial Average. However, by the beginning of 1989 stocks launched a sustained rally which carried the Dow past the 2,500 level by June. (The old peak of 2,722.42 was eclipsed later this summer.)

The lofty level attained by the market in 1989 has some observers wondering whether a repeat of October 1987 is in the making. Most analysts feel that a debacle on that scale is unlikely, although a lesser correction would not be surprising.

There are a number of differences between then and now which support this view. Corporate earnings, a major determinate of stock prices, are 50 percent higher now than two years ago.

As a consequence, the price-earnings ratio of the broad market stands at about 13, very close to its historic norm, compared to about 20 in October 1987. Interest rates are lower this year than in October 1987 which tends to support higher stock prices because bonds provide less competition for equities. Also, the dollar has been stronger in 1989, which makes U.S. investment more attractive to foreigners.

Continued positive performance by the stock market hinges largely on the ability of policy makers to steer the economy to a soft-landing. A recession would depress corporate earnings while overly rapid growth would send interest rates upward, either of which would be bearish for stock investments.

The Savings and Loan Bailout

One of the most urgent problems faced by the incoming Bush Administration was the financial crisis in the savings and loan industry. By the end of 1988 the Federal Savings and Loan Insurance Corporation (FSLIC) had resolved over 200 savings and loan insolvencies at an estimated cost of about $40 billion.

The FSLIC became essentially insolvent due to these expenditures as funds from insurance premiums paid by savings institutions were depleted. The Administration estimates that an additional $50 - $60 billion is yet required to settle the remaining insolvencies, for a total cost of $90 - $100 billion. Some economists argue this estimate is too conservative and the total cost could reach $200 billion or more.

The financial problems concerning the thrift industry and efforts to resolve them raise three key questions: (1) Why did the crisis grow to such proportions? (2) How will it be solved and hopefully prevented in the future? and (3) Why are there such large variations in cost estimates to solve the problem?

The reasons for the size of the problem are varied and complex, and are still being assessed by financial experts. High and volatile interest rates experienced during much of the 1980s are a contributing factor. Many institutions were caught in a squeeze between having to pay higher interest rates to depositors while much of their loan portfolio was earning low rates on older fixed-rate loans. Economic troubles in energy producing and agricultural regions caused the failure of many thrifts.

Probably the most depressing aspect of the problem are the huge losses at some savings and loans due to apparently incompetent and unscrupulous management. Many observers fault lax regulations and inadequate supervision by federal authorities responsible for overseeing the industry.

Some economists point to the structure of the deposit insurance system as a major culprit. All savings and loans pay a flat rate premium unrelated to the degree of risk being insured. This, economists say, can create an incentive for excessive risk taking.

The Bush Administration proposes to fund the cost of the bailout through the sale of bonds. At least $50 billion in bonds would be issued by a federally sponsored agency. The interest payments would primarily be the responsibility of the U.S. Treasury Department (and ultimately, the U.S. taxpayer).

The plan also proposes steps to prevent a similar fiasco in the future through various regulatory means such as increasing the FSLIC's staff of financial examiners and imposing stricter capital requirements on institutions.

The major reason that estimates of the bailout cost vary so much is that there is a lot of uncertainty as to the market value of assets held by troubled institutions. The number and extent of book value insolvencies are available, but this is an incomplete measure of the extent of the problem.

Accounting guidelines may permit loans to be carried on the books at face value, even though the market value may be lower. However, the cost to the FSLIC when it liquidates or reorganizes a failed savings and loan is the difference between what the institution's assets can be sold for and its obligations to depositors and other creditors.

In liquidation the FSLIC sells the thrift's assets and pays off the insured depositors. The difference between the sale proceeds and the depositor payoff is the cost to the FSLIC. In a reorganization or takeover by a solvent institution, funds must be provided to make up the shortfall of assets compared to liabilities.

California Perspective

California enjoyed another year of good economic performance in 1988-89. Incomes rose strongly, unemployment remained low as job growth continued on a steady course, and retail sales made a strong advance.

Personal income of Californians totaled $551.8 billion during Fiscal Year 1988-89. This is an increase of 9.0 percent over the prior year total of $506.4 billion.

The state accounts for a disproportionate share of the nation's total personal income. With 11.5 percent of the total U.S. population, California has approximately 13.0 percent of the total personal income.

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Recently the U.S. Department of Commerce released per capita personal income data by county for 1987. The figures show that while the state as a whole ranks well above the national average, there are huge differences between various regions.

California's per capita income of $17,841 was 15 percent above the national average, putting the state in 8th place among all states. The counties ranged from a high of $30,181 in Marin to a low of $10,746 for Yuba.

The next three highest income counties were all in the San Francisco Bay Area. They are San Mateo, San Francisco, and Contra Costa with per capita incomes of $24,237, $23,174, and $21,737 respectively. The state's largest county, Los Angeles, ranked 12th statewide with $17,863, virtually identical to the statewide average.

The lowest incomes are in the counties whose economies are based on agriculture and natural resources. After Yuba, the next three lowest per capita incomes were in Del Norte, Imperial, and Lassen with $ 11,085, $11,345, and 11,490, respectively.

California's unemployment rate remained low throughout the 1988-89 fiscal year. The average rate for the year was 5.2 percent. In June 1989 the rate was 5.6 percent, virtually unchanged from the prior June when it stood at 5.5 percent.

The lowest unemployment levels were recorded in the final quarter of 1988 and the first quarter of 1989 when the average rate dipped just below 5.0 percent during both quarters.

During the second quarter of 1989, however, the unemployment rate averaged 5.5 percent, suggesting some slowing may have taken place in the economy due to the Federal Reserve's tight monetary policy during the first half of 1989.

Total nonagricultural wage and salary employment reached 12,459,800 statewide by June 1989, a 2.8 percent increase from twelve months earlier. The largest numerical gain was posted by the service sector which added 111,500 jobs to reach 3,189,600, a 3.6 percent gain.

Those additional service jobs accounted for one of every three new wage and salary jobs, even though the sector accounts for only about one of every four existing jobs. This is simply the continuation of a long-running trend of services accounting for a larger share of total employment.

The second largest employment gain was recorded by the wholesale and retail trade sector: 85,700 jobs were added to this group over the past year, to reach a total of 2,954,300, an increase of 3.0 percent.

In relative terms the construction sector posted the fastest growth of any employment category. Construction jobs grew 5.3 percent from June 1988 to June 1989 as 32,400 new jobs pushed the total to 644,800.

Construction activity was a strong part of the state's economy in 1988. New housing unit authorizations during the year were a healthy 252,520, up slightly from 248,695 in 1987.

However, in 1988 the higher value single family home segment accounted for a larger portion of total units. Single family authorizations totaled 160,519 in 1988 compared to 133,289 in 1987. Multiple unit authorizations which amounted to 115,406 in 1987 dropped to 92,001 in 1988.

During the first half of 1989 the pace of housing construction slowed somewhat as high interest rates began to have a dampening effect. However, the downturn has been mild as California has managed to avoid the severe housing slowdown experienced in much of the rest of the nation. Through the first six months of 1989 housing authorizations were 233,400 on an annualized seasonally adjusted basis. Lower interest rates in the second half of the year should give the housing industry a boost with total authorizations of about 240,000 expected for all of 1989.

Housing prices rose dramatically in California during the past fiscal year. In June 1989 the median price of an existing single family home stood at $200,445– an increase of 17.8 percent over the comparable June 1988 median of $170,185. Prices actually leveled off during the second quarter of 1989 as the median stayed stuck near the $200,000 level from April to June. In March 1989 the year to year increase was an astounding 27.0 percent.

The surge in home prices dropped the housing affordability index for California to only 16 percent in June 1989, versus 22 percent in June 1988. The index simply represents the percentage of households which have enough income to qualify for an 80 percent loan on a median price house.

Affordability in the state's metropolitan areas was lowest in the San Francisco Bay Area with an index reading of 9 percent, and highest in the Sacramento area at 38 percent. By comparison, the index for the nation was 44 percent in June 1989.

The California economy received a boost from the upsurge in exports during 1988. The value of goods shipped through California ports increased nearly 19 percent over 1987 to a record $140.2 billion. Exports jumped 35 percent to $53.6 billion. Imports rose 10 percent to $86.6 billion.

There is no information regarding the above data as to the final destination of imports or the state of origin of exports. Therefore, a net export figure for California with the rest of the world is not available. However, in 1987 exports from California were estimated to be 70 percent of the value of exports passing through the state.

Asia and the Pacific (including Australia) accounted for 77% of the value of foreign trade goods passing through California. Japan was the leading trading country, shipping $34.2 billion worth of goods into the U.S. through California ports while receiving $12.8 billion in U.S. exports through the state. California ports ran a surplus with Europe of $2.1 billion.

Growth in Revenue

Tax programs administered by the Board produced state and local revenues totaling $19,900,722,000 during fiscal year 1988-89, an increase of $1.844 billion or 10.2 percent over 1987-88. Revenue growth from 1986-87 to 1987-88 had been only 6.9 percent.

Tax programs administered by the Board produced state and local revenues totaling $19,900,722,000 during fiscal year 1988-89, an increase of $1.844 billion or 10.2 percent over 1987-88.

The $1.844 billion increase was comprised of $1.362 billion for tax programs in existence for all of 1987-88 and 1988-89 and $.482 billion for those that either commenced or terminated during the two year period. Levies from each tax are presented in the accompanying text table; additional detail and historical comparisons are given in Appendix Table 2. (A table comparing all major sources of state revenues is located in the Appendix.)

The combination of all state and local sales and use taxes produced $16,939,907,000, advancing 9.4 percent during the fiscal year. These taxes comprised 85 percent of revenue from Board-administered tax programs. The state's portion of the sales tax, levied at a 4.75 percent rate, grossed $12,647,397,000, while the

COMPARISON OF REVENUES 1987–88 and 1988–89
(In thousands of dollars)

Revenue Source	*1987–88*	*1988–89*	*Percent Change*
Sales and Use Taxes			
State tax (4¾%)	$11,662,040	$12,647,397	8.4
City and county sales tax (1%)	2,446,676	2,637,065	7.8
County transportation tax (¼ of 1%)	612,766	652,572	6.5
Special district taxes (½ of 1%)			
San Francisco Bay Area Rapid Transit District [1]	126,213	143,235	13.5
Santa Clara County Transit District	78,705	87,044	10.6
Santa Cruz County Metropolitan Transit District	9,140	9,199	0.7
Los Angeles County Transportation Commission	355,939	388,727	9.2
San Mateo County Transit District	32,304	33,032	2.3
Santa Clara County Traffic Authority	76,885	86,828	12.9
Alameda County Transportation Authority	50,130	56,967	13.6
Fresno County Transportation Authority [2]	18,694	24,961	— [13]
San Diego County Regional Transportation Commission [3]	12,056	104,261	— [13]
Inyo County Rural Counties Transactions and Use Tax [4]	—	926	— [13]
San Benito County Council of Governments [5]	—	432	— [13]
San Diego County Regional Justice Facilities Financing Agency [6]	—	39,789	— [13]
San Mateo County Transportation Authority [7]	—	12,133	— [13]
Contra Costa Transportation Authority [8]	—	5,875	— [13]
Sacramento Transportation Authority [9]	—	7,712	— [13]
Other taxes and fees	1,931	1,750	−9.4
TOTALS	$15,483,480	$16,939,907	9.4
Fuel taxes and fees			
Gasoline and jet fuel	1,160,897	1,187,953	2.3
Diesel and other use fuel	147,616	154,515	4.7
TOTALS	1,308,513	1,342,468	2.6
Alcoholic beverage taxes	128,734	128,264	−0.4
Cigarette and tobacco products taxes			
Cigarette tax	250,572	230,889	−7.9
Cigarette and tobacco products surtax [10]	—	329,168	— [13]
TOTALS	250,572	560,057	— [13]
Electrical energy surcharge	36,942	38,257	3.6
Emergency telephone users surcharge	40,532	41,854	3.3
Universal telephone service tax [11]	13,120	130	— [13]
Hazardous waste control tax	35,207	53,180	51.0
Hazardous substance tax	14,774	14,677	−0.7
Local taxes on state assessed properties [12]	724,544	760,006	4.9
Timber yield tax	18,091	19,854	9.7
Private railroad car tax	2,571	2,069	−19.5
GRAND TOTALS	$18,057,081	$19,900,722	10.2

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[1] This one-half of one percent tax became effective April 1, 1970 in the counties of Alameda, Contra Costa, and San Francisco. The amounts shown for BARTD include amounts collected for the Metropolitan Transportation Commission: $31,905,376 for 1987–88 and $35,023,035 for 1988–89 including interest of $481,784 in 1987–88 and $746,576 in 1988–89. Effective January 1, 1978, 25 percent of the revenue collected under the Bay Area Rapid Transit District Sales Tax was earmarked for MTC which allocates it to the Alameda-Contra Costa Transit District, San Francisco Municipal Railway, and BARTD. Additional details are given in Appendix Table 21C, footnote a.

[2] This one-half of one percent tax became effective July 1, 1987 in Fresno County.

[3] This one-half of one percent tax became effective April 1, 1988 in San Diego County.

[4] This one-half of one percent tax became effective October 1, 1988 in Inyo County.

[5] This one-half of one percent tax became effective January 1, 1989 in San Benito County.

[6] This one-half of one percent tax became effective January 1, 1989 in San Diego County.

[7] This one-half of one percent tax became effective January 1, 1989 in San Mateo County.

[8] This one-half of one percent tax became effective April 1, 1989 in Contra Costa County.

[9] This one-half of one percent tax became effective April 1, 1989 in Sacramento County.

[10] This tax became effective January 1, 1989.

[11] Administration of this tax was transferred to the Pubilc Utilities Commission effective July 16, 1987.

[12] Collected by county tax collectors.

[13] Not computed.

part allotted to other governmental agencies — cities, counties, and special districts — totaled $4,290,758,000. (Details are given in Appendix Tables 19 through 23.)

By the year's end special district taxes at the rate of 0.5 percent were being levied by 15 jurisdictions encompassing 12 counties. Alameda, Contra Costa, San Diego, San Mateo, and Santa Clara Counties are covered by two jurisdictions each, thereby making the total rate in those counties 7 percent, as compared to the overall rate of 6.5 percent in the other seven counties covered by special district taxes.

The state's fuel taxes aggregated $1,342,468,000 during the year under review, 2.6 percent more than fiscal year 1987-88. Distributions of gasoline and consumption of diesel fuel for highway use totaled 15.0 billion gallons.

Gasoline distributions in each month of the fiscal year topped those of the comparable month in the prior year. (Historical data on assessments are presented in Appendix tables 24 through 26).

The state's excise taxes on alcoholic beverages declined slightly in 1988-89, just as they had the year before. Alcoholic beverages, which are taxed by the state at rates ranging from one cent per gallon for wines of 14 percent or less alcoholic content to $2.00 per proof gallon for distilled spirits, produced $128,264,000, a decrease of .4 percent, for the fiscal year. Taxes on beer and wine and on distilled spirits decreased by an almost identical .4 percent and .3 percent, respectively.

This was the eighth straight year that revenues from distilled spirits have declined. However, the drop in 1988-89 was the smallest annual decline in that time span. Since 1980-81 when they peaked at $115 million, distilled spirits taxes have fallen 15 percent to their current level of $98 million. (See Appendix Tables 27-29 for historical data on taxes, total consumption, and per capita consumption by major type of beverage.)

There was dramatic change this year in the taxation of tobacco products. The passage of Proposition 99 in November 1988 raised the tax on cigarettes from 10 cents per pack to 35 cents and imposed a tax on previously untaxed other tobacco products such as cigars, chewing and pipe tobacco, and snuff, as of January 1, 1989.

Proposition 99 in November 1988 raised the tax on cigarettes from 10 cents per pack to 35 cents and imposed a tax on pre[illegible]ly untaxed other tobacco products such as cigars, chewing and pipe tobacco, and snuff

Revenues from the previous 10 cents per pack rate declined 7.9 percent from the prior fiscal year to $230,889,000. This drop approached the level of the entire 9.9 percent decline from 1980-81 through 1987-88. Distribution of cigarettes during the January-June 1989 period were 14.7 percent less than during the comparable period one year earlier.

Revenues from the increased tax on cigarettes and the new tax on other tobacco products were $329,168,000 for the portion of the year in which they were in effect. (See Appendix Tables 30A and 30B for additional data regarding these taxes.)

The electrical energy surcharge levied on the use of electricity in California produced $38,257,000, a 3.6 percent increase over the prior year. The emergency telephone users surcharge, a levy to fund the 911 statewide emergency number system, yielded $41,854,000, an increase of 3.3 percent. Board of Equalization receipts from the Moore Universal Telephone Service Tax were only $130,000. Effective July 16, 1987, administration of the tax was transferred to the Public Utilities Commission.

Hazardous waste fees and taxes rose to $53,180,000, a gain of 51.0

California retail stores reported taxable receipts of $168.5 billion during fiscal year 1988-89, up 7.8 percent from the prior fiscal year.

percent over the prior year. This increase comes on top of a 44.9 percent increase in the prior year and a 194.5 percent increase the year before that.

The 1988-89 increase was a result of the amount appropriated for 1988-89 for the Hazardous Waste Control Account, a prime determinant of the amount to be raised by the hazardous waste fees and taxes, being substantially increased over the prior year level.

The hazardous substance tax, used to partially fund the "Superfund" for toxic cleanup, fell just slightly to $14,677,000. Rates for this tax are set to raise $15 million annually, but because of the flow of tax payments, somewhat more or less than $15 million may be received in a given fiscal year.

Locally collected property taxes on state-assessed properties rose to $760,006,000, an increase of 4.9 percent. With property tax rates declining slightly, the increase in taxes is a result of the 5.7 percent increase in assessed values.

The timber yield tax, which is levied at the time timber is harvested in lieu of any annual ad valorem property tax, totaled $19,854,000, up 9.7 percent. The private railroad car tax, levied on railroad cars owned by firms other than operators of railroads, produced $2,069,000.

Taxable Sales Activity

Taxable sales in California grew at a strong pace during the 1988-89 fiscal year. Transactions subject to California's sales and use tax totaled $260.4 billion during the year, an increase of $19.1 billion, or 7.9 percent, over 1987-88.

After adjusting for price increases, which averaged 4.9 percent for the fiscal year as measured by the California Consumer Price Index, the volume of taxable sales grew by 2.9 percent. This growth rate is nearly identical to that posted in the 1987-88 fiscal year when real growth of 3.0 percent occurred.

California retail stores reported taxable receipts of $168.5 billion during fiscal year 1988-89, up 7.8 percent from the prior fiscal year.

Business and personal service establishments, whose tax liability is based mainly on materials and parts used in service (since repair labor is tax exempt), had taxable sales totaling $12.1 billion, an increase of 9.5 percent.

All other outlets, comprising manufacturers and wholesalers of all types, construction contractors, petroleum producers, publishers, and a multitude of part-time permittees, the bulk of whose business is exempt, had taxable transactions totaling $79.8 billion, up 7.9 over the 1987-88 fiscal year. (See Appendix table 19 for details on sales tax activity and number of sales tax permittees by business type.)

Thirty-seven of the 39 types of retail businesses shown in Appendix table 19 experienced sales increases. Those featuring durables outperformed those specializing in non-durables, as they have done in six of the past seven fiscal years. Durables grew 8.4 percent, while non-durables posted a 7.3 percent gain.

New car dealers, the largest category in the durable group, achieved modest growth of 4.0 percent to reach total sales of $25.8 billion. These sales accounted for nearly 10 percent of all statewide taxable transactions.

The sales growth achieved by the new car dealers was due to higher sales prices rather than any volume growth. Total new vehicle registrations were 1,818,288 units during fiscal year 1988-89, a slight drop of -0.9 percent from the prior fiscal year.

After years of strong automobile sales through most of the mid and late 1980s, sales appear to have plateaued. The pent-up demand from the severe auto recession in the early 1980s has been largely satisfied. With economic growth slowing in the first half of 1989 and interest rates rising, the automobile manufacturers expanded the use of incentives such as rebates and low interest loans to prop up sales volume.

Most other durable goods retailers outperformed new car dealers. The building materials group posted sales of nearly $13.5 billion, a 13.9 percent increase. The largest category within this group, lumber and building material dealers, advanced 15.4 percent with taxable sales of $9.2 billion.

1988–89 Taxable Sales by Quarter; Growth in Actual Dollars Compared to Growth in Constant-Value Dollars

	Taxable Transactions		*Percent Change From Prior Year In*		
Quarter	*Amount*	*Percent of Total*	*Actual Dollars*	*Constant Value Dollars*	*California Consumer Price Index*
July-September	$ 63,424,445,000	24.4	7.2	2.4	4.7
October-December	67,955,596,000	26.1	8.9	4.0	4.7
January-March	61,036,358,000	23.4	6.4	1.5	4.9
April-June	67,935,881,000	26.1	9.0	3.5	5.3
Fiscal Year	$260,352,280,000	100.0	7.9	2.9	4.9

New Vehicle Registrations and Taxable Sales of New Car Dealers, by Quarter, 1988–89

	Number of Registrations of New Vehicles						*Taxable Sales of New Car Dealers*	
	Automobiles		*Trucks*		*Total*			
Quarter	*Number*	*Percent Change Year to Year*	*Number*	*Percent Change Year to Year*	*Number*	*Percent Change Year to Year*	*Amount*	*Percent Change Year to Year*
July-September	362,609	-2.8	91,640	-7.1	454,249	-3.7	$ 6,583,313,000	1.2
October-December	344,541	-0.7	80,233	-2.8	424,774	-1.1	6,035,024,000	7.8
January-March	375,702	-0.6	84,109	-2.1	459,811	-0.9	6,418,335,000	3.9
April-June	384,829	2.3	94,625	0.8	479,454	2.0	6,791,693,000	3.7
Fiscal Year	1,467,681	-0.4	350,607	-2.9	1,818,288	-0.9	$25,828,365,000	4.0

Taxable Transactions of Service Stations Compared to Gasoline Distributions, by Quarter, 1988–89

	Taxable Transactions		*Gasoline Distributions*			
Quarter	*Amount*	*Percent Change Year to Year*	*Gallons*	*Percent Change Year to Year*	*Estimated Expenditure*	*Percent Change Year to Year*
July-September	$ 3,462,876,000	6.4	3,340,176,000	3.5	$ 3,066,282,000	7.7
October-December	3,233,999,000	3.4	3,309,416,000	2.6	2,885,811,000	3.1
January-March	3,174,524,000	4.0	3,239,773,000	3.1	2,737,608,000	4.8
April-June	3,972,656,000	17.5	3,312,651,000	2.6	3,567,725,000	22.8
Fiscal Year	$13,844,055,000	8.0	13,202,016,000	3.0	$12,257,426,000	9.8

Specialty stores recorded another year of strong growth with sales of $21.2 billion, up 10.8 percent. Household and home furnishing dealers posted sales of $5.3 billion, an advance of 10.7 percent, while household appliance dealers were up 8.5 percent to $3.5 billion.

Service stations, a major component of the nondurable classification, posted taxable sales of $13.8 billion in fiscal year 1988/89, an 8.0 percent increase over the prior year. Gasoline consumption climbed to 13.2 billion gallons, a 3.0 percent increase.

Gasoline prices were fairly stable during the first three quarters of the fiscal year, averaging $.84 to $.92 per gallon. However, prices skyrocketed in April 1989 in response to supply disruptions in Valdez, Alaska and the North Sea, coupled with increased worldwide demand. Gasoline prices averaged $1.08 per gallon during second quarter 1989, nearly 20 percent higher than second quarter 1988. In April, the energy cost component of the Consumer Price Index increased a record 5.1 percent.

These price increases did little to deter gasoline consumption during the April to June 1989 quarter. Gasoline distributions were 2.6 percent higher than the same quarter of 1988, only slightly below the 3.1 percent year to year growth experienced in the first three quarters of the fiscal year.

Taxable receipts of general merchandise stores reached $27.9 billion, a gain of 5.4 percent over the prior fiscal year. Restaurant sales grew by 6.5 percent to a total of $21.5 billion.

All but one of the state's 58 counties experienced higher taxable sales in fiscal year 1988-89 over the prior year. Among the more populous counties, Riverside and San Bernardino posted the largest increases with gains of 15.8 percent and 11.6 percent, respectively. These counties have been experiencing significant population growth, due in large part to their affordable housing relative to Los Angeles and Orange counties.

COURT DECISIONS

Sales and Use Tax Law
Motor Vehicle License Tax Law
Property Tax Law

Sales and Use Tax Law

Liquidation sales by trustee in bankruptcy are subject to tax.

Respondent purchased skis from a bankruptcy trustee for use as rentals. The U.S. Court of Appeals, Ninth Circuit, held that the bankruptcy court's injunction against the Board's assessment of sales tax or use tax on a trustee's liquidation sale of the skis also barred the purchaser's collection of use tax from its lessees. The Court of Appeals relied on two previous Ninth Circuit cases, *Cal. St. Bd. of Equalization* v. *Goggin* (1951) 191 F.2d 726 (CA9) and *Cal. St. Bd. of Equalization* v. *Goggin* (1957) 245 F.2d 44 (CA9). In the *Goggin* cases, the Board assessed sales and use taxes on bankruptcy liquidation sales. The Ninth Circuit had held that the taxes were unlawful because they burdened the federal functions of the bankruptcy court, and violated the principle of intergovernmental tax immunity. However, other federal circuits had reached the contrary result in similar cases.

The U. S. Supreme Court held in favor of the Board. The Court held that a nondiscriminatory tax on a bankruptcy liquidation sale was not barred by the now-discredited intergovernmental tax immunity doctrine, and there was no longer any constitutional impediment to the imposition of a sales tax or a use tax on a bankruptcy liquidation sale. The tax does not discriminate against bankruptcy trustees or those with whom they deal. Nor is the bankruptcy trustee so closely connected to the federal government that the two cannot realistically be viewed as separate entities. The Court also held that there was no federal statute expressly preempting the power of the states to tax in this area. *California State Board of Equalization* v. *Sierra Summit, Inc.* (1989) 109 S.Ct. 2228, 104 L.Ed. 2d 910.

Delivery of motor homes in state to out-of-state purchasers is taxable.

Taxpayer sold motor homes to out-of-state purchasers, and the contracts required shipment out of state. Taxpayer delivered the motor homes to a forwarding agent who in turn secured a one-way trip permit and delivered the motor homes in California to the purchasers (or in some cases, unnamed drivers), who drove them out of state. Taxpayer contended the deliveries satisfied the requirements for exemption from sales tax for interstate shipments.

The Court of Appeal held in favor of the Board. The court held that Revenue and Taxation Code Section 6396 exempts from sales tax sales in interstate commerce only when the seller or forwarding agent actually delivers the property sold to the purchaser out of state. Sales and Use Tax Regulation 1620, which requires actual out-of-state delivery, was a reasonable interpretation of Section 6396. The burden of proof to establish the exemption is on the seller, and that burden was not met for transactions where the driver was not named. *Pope* v. *State Board of Equalization* (1988) 202 Cal. App. 3d 73.

Existing library of custom computer programs are taxable when sold.

Plaintiff, the liquidation agent for taxpayer, sold all the assets of taxpayer's engineering services division to a purchaser. Part of the assets consisted of a library of custom computer programs. Taxpayer also made numerous sales of the assets of its other divisions to other purchasers. Plaintiff contended that the sale of the software library was a nontaxable sale of custom programs, and that the sale of the engineering services division's assets was an exempt occasional sale.

The Court of Appeal held in favor of the Board. The court held that since the computer programs were not developed to the special order of the purchaser, their sale could not be characterized as a service excluded from tax under Revenue and Taxation Code Section 6010.9. The court also held that all of the taxpayer's sales, not just sales by one division, must be considered in determining whether the sale of that division's assets was an exempt occasional sale, and therefore the sale of the engineering services division was taxable. *Touche Ross & Co.* v. *State Board of Equalization* (1988) 203 Cal. App. 3d 1057.

Pipes, tank settings, and compressors were taxable materials and fixtures when installed on U.S. Government property.

Taxpayer purchased pipes, tank settings, and compressor facilities and installed them as part of a gas transmission facility on U.S. Government property. Taxpayer contended the items were exempt sales of machinery and equipment to the U. S. Government. The Board contended the items were improvements to realty and the contract was a construction contract under Sales and Use Tax Regulation 1521.

The Court of Appeal held in favor of the Board. The court held that these items were materials and fixtures and the Board correctly regarded the contractor as the consumer when it performed a construction project for the U. S. Government. The manner of attachment of the items was that used for fixtures, the facilities constructed were adapted to the use of the realty, and the probability of frequent relocation was low. *C. R. Fedrick, Inc.* v. *State Board of Equalization* (1988) 204 Cal. App. 3d 252.

Sales of master tapes and records are not exempt services of artists.

Taxpayer, a record company, purchased master tapes and records from recording artists outside of California and used the masters to produce copies of the recordings. Taxpayer also made duplicate masters and leased them to record clubs to produce copies. Taxpayer contended that: (a) its contracts with recording artists were service contracts, not sales; (b) it was entitled to produce evidence at trial that some masters were never used in California; and (c) the duplicate masters were exempt from tax because they were leased in the same form as acquired.

The Court of Appeal held in favor of the Board. The court held that the true object of the contracts with the recording artists was for the production of the master tapes and records, not for the services of the artists. The court also held that the trial court properly refused to allow the taxpayer to introduce evidence that some masters had never been used in California since the taxpayer had not raised that issue in its claim before the Board. The court further held that the duplicate masters and original masters were different items of tangible property, and taxpayer could not lease the duplicates tax-free as leases of property in the same form as acquired, since it produced the duplicates from the original masters. *A & M Records, Inc.* v. *State Board of Equalization* (1988) 204 Cal. App. 3d 358, modified 204 Cal. App. 3d 1475c.

Retailer's use of teachers to solicit book sales constitutes nexus.

Taxpayer, an out-of-state retailer of books and other items, distributed catalogs by mail to teachers and librarians in elementary schools and high schools in California. The teachers who elected to do so distributed offer sheets to their students to make selections. The teacher consolidated the students' orders and submitted a single order and full payment to the taxpayer in the teacher's name. The taxpayer shipped the items ordered from its Missouri warehouse to the teacher placing the order, who distributed the items to the students who ordered them. The taxpayer rewarded teachers placing orders with bonus points for merchandise.

Taxpayer contended that it was not a retailer engaged in business in California under Revenue and Taxation Code Section 6203 because the teachers had no initial obligation to act to solicit orders, and had no written agency agreement with the taxpayer. Since the teachers had no obligation to act, the teachers were not acting under the taxpayer's authority in soliciting orders.

The Court of Appeal held in favor of the Board. The court concluded that the teachers were not acting under anyone else's authority, and once they undertook to solicit orders, they were acting under the taxpayer's authority as its agents. By accepting the orders and shipping the items, the taxpayer ratified the acts of the teachers and confirmed their authority as its agents. The taxpayer depended upon the teachers to act as its conduit to the students. The court held that the taxpayer's use of teachers and school librarians to solicit sales from students constituted sufficient nexus to require the taxpayer to collect use taxes imposed on the students' purchases. *Scholastic Book Clubs, Inc.* v. *State Board of Equalization* (1989) 207 Cal. App. 3d 734.

Regeneration of water purification tanks is taxable sale.

Taxpayer was in the business of selling and servicing water purification tanks. After resins in the tanks became depleted and were no longer usable to remove impurities, taxpayer replaced the tanks with similar tanks which had been regenerated at the taxpayer's plant. Taxpayer contended that the regeneration charges for replacing the depleted tanks were service transactions not subject to tax.

The Court of Appeal held in favor of the Board. Sales and Use Tax Regulation 1546(b)(4) provides that a taxable sale includes the reconditioning of tangible personal property by delivery to the customer of reconditioned property which has been commingled with the same kind of property as the customer originally delivered to the reconditioner. The court held that under the authority of Regulation 1546 and Culligan Water Conditioning v. State Board of Equalization (1976) 17 Cal. 3d 86, the taxpayer's regeneration charges were taxable sales of the regenerated tanks. *Continental Water Conditioning Co.* v. *State Board of Equalization* (1989) 207 Cal. App. 3d 783.

Classification of shopping guide as taxable publication was constitutional.

Appellants were the printers and publisher of a shopping guide distributed without charge in Humboldt County. More than 90 percent of the shopping guide consisted of advertising. Sales and Use Tax Regulation 1590 provides that a nontaxable periodical does not include shopping guides or other publications consisting of 90 percent or more advertising. Appellants contended that the Regulation 1590 classification of advertising publications as taxable was an infringement on freedom of speech, a denial of equal protection, and unauthorized by the Legislature.

The Court of Appeal held in favor of the Board. The court held that commercial speech was not entitled to the same degree of First Amendment protection as noncommercial speech, and that differential tax treatment of advertising publications was not content-based discrimination prohibited by the First Amendment.

The court also held that Regulation 1590 did not deny equal protection to the appellants. The regulation did not restrict or regulate in any manner their right to engage in commercial speech, but rather merely withheld from them a tax subsidy. Since the Legislature sought to subsidize and encourage publications which disseminate valuable and timely news and information, the Board could rationally conclude that publications which are mere conduits for advertising do not fit within the objective sought to be achieved by the tax exemption for newspapers and periodicals.

The court also held that Regulation 1590 did not exceed the Board's authority to adopt regulations to implement the Sales and Use Tax Law. It did not arbitrarily classify newspapers and periodicals, but instead only gave substantial meaning to the terms as they are used in Revenue and Taxation Code Section 6362. This interpretation was necessary in order to differentiate those publications from other printed matter subject to tax. The presence of advertising as a basis for the distinction was a reasonable classification method, and is also used by the U.S. Postal Service for the second class mailing privileges of periodicals. *Redwood Empire Publishing Co.* v. *State Board of Equalization* (1989) 207 Cal. App. 3d 1334.

Three-month statute of limitations applies to refund for exportation of tax-paid fuel.

Plaintiff, a distributor of motor vehicle fuel, purchased tax-paid fuel from its suppliers in transactions which did not qualify as tax-exempt distributions under the Motor Vehicle Fuel License Tax Law. Thus plaintiff's distributors paid the tax on their distributions of the fuel and added the amount of the tax to the price of the fuel sold to plaintiff. Plaintiff exported some of the tax-paid fuel to Nevada, but did not file a claim for refund on the exported fuel until more than three months after the date of export. Under the Motor Vehicle Fuel License Tax Law, a qualified distributor who exports fuel prior to the first taxable distribution is exempt from the tax and may file a claim for refund of overpayments within three years from the date of export, but purchasers who purchase tax-paid fuel must file a claim for refund within three months after the date of export. Plaintiff contended the three-year statute, not the three-month statute, applied to its claim for refund.

The Court of Appeal held in favor of the Board. The court held that the statute of limitations applicable to plaintiff's claim for refund was limited to three months under Revenue and Taxation Code Section 8105, rather than three years under the exemption provisions of Revenue and Taxation Code Section 8128. The court held that the exemption can only apply to the person who is otherwise required to file a return and pay the tax. Although the plaintiff was a distributor of motor vehicle fuel, it was not the distributor against whom the tax was imposed. When plaintiff's subsequent use of its tax-paid fuel entitled it to a refund of taxes which it had indirectly paid through an addition to the purchase price, then the applicable provisions were the refund provisions, not the exemption provisions. *Willbarb Petroleum Carriers, Inc.* v. *Cory* (1989) 208 Cal. App. 3d 269.

Property Tax

Real property of a parent corporation's wholly-owned subsidiary underwent a change in ownership when the parent merged with an unaffiliated corporation.

The parent corporation of a real estate holding corporation merged with an unaffiliated corporation. As a result of such merger, the parent corporation became a wholly-owned subsidiary of the unaffiliated corporation.

Based upon such transaction, the assessors of two counties reappraised the real estate holding corporation's properties on the ground that such properties had undergone a change in ownership under Section 64(c) of the Revenue and Taxation Code. This section provides that the real property of a corporation undergoes a change in ownership whenever a person or entity acquires direct or indirect control, as defined in Section 25105, in such corporation through the purchase or transfer of corporate stock. Section 25105 provides that direct or indirect ownership or control of more than 50 percent of the voting stock of a corporation constitutes ownership or control of such corporation.

The real estate holding corporation filed complaints in the two subject counties seeking the refund of its property taxes. The taxpayer's primary contention was that the words "through the purchase or transfer of corporation stock" in Section 64(c) refer to the purchase or transfer of the stock of the corporation that owns the property in issue. Based upon such premise, the taxpayer argued that no change in ownership occurred as only the stock of its parent corporation was purchased or transferred.

The two cases were coordinated for trial. The trial court ruled in the taxpayer's favor and the Court of Appeal affirmed. The California Supreme Court, however, reversed the judgment of the Court of Appeal. The Supreme Court held that the express terms of Section 64(c), when read in conjunction with Section 25105, specify two means by which a change in ownership of a corporation may occur. The first is when one corporation, by purchasing stock, obtains direct control of another which owns the property subject to reassessment. The second means by which a change of ownership may occur under Section 64(c) is when one corporation obtains indirect control of the corporation which owns the property in question. In the instant case, the Supreme Court found that the unaffiliated corporation obtained indirect control of the real estate holding corporation when it acquired all of the stock of the partner corporation in the merger. The Supreme Court ruled that the transaction resulted in a change in ownership of the property of the real estate holding corporation under Section 64(c). *Title Insurance & Trust Co.* vs. *County of Riverside, et al.*, 48 Cal.3d 84 (1989).

Failure to claim the welfare exemption in the manner required by laws in effect at the time the claim is required to be made constitutes waiver of the exemption as a matter of law.

Camp Fire, Inc., Golden Gate Council, a tax-exempt nonprofit youth service agency, operated a camp in Sierra County on land owned by the United States Forest Service pursuant to a Forest Service permit. Before 1982, the permit was not recorded in the Sierra County Recorder's office.

As Section 261(a) of the Revenue and Taxation Code required that as a prerequisite to the allowance of the welfare exemption, a claimant's interest in the property had to be recorded and provided that failure to do so constituted a waiver thereof, the assessor assessed the Council's interest in the property. The Legislature subsequently enacted Section 214.12 creating a retrospective exception to Section 261(a) and providing that a claimant who would have qualified for the exemption except for the failure to record it interest would be granted the exemption.

The assessor brought a section 538 action against the State Board of Equalization seeking a declaration that section 214.12 was unconstitutional. The Council intervened. The trial court concluded that the section was unconstitutional because it conflicted with article XIII, section 6 of the Constitution, which provided that the failure to claim a property tax exemption, in a manner required by the laws in effect at the time the claim is required to be made, shall be deemed a waiver of the exemption.

The Court of Appeal affirmed, holding that since the Council failed to claim the exemption in the manner required by laws in effect at the time the claim was required to be made the exemption was waived as a matter of constitutional law. The court held also that section 214.12 was unconstitutional. *Copren* v. *State Board of Equalization*, 200 Cal.App.3d 828 (1988).

The constitutional responsibility to assess property falls to the local board of equalization and not to the courts.

Subsequent to the taxpayer's purchase of a sawmill, the assessor reappraised the land, structures, equipment and personal property to determine the fair market value as of the date of the sale. Initially the assessor merely increased the prior valuation by two percent but upon request of the taxpayer this current figure was reduced by 20 percent. That valuation was appealed to the county board of equalization where it was upheld as an appraisal based on the replacement cost approach to valuation.

The taxpayer brought suit on a claim for refund of taxes in the superior court. The trial judge found that the replacement cost method was not used and that the assessor's method was improper. In disregard of the findings of the local board, the court held that the fair market value of the property was its actual acquisition cost as of the date of purchase. The county appealed.

The Court of Appeal first noted that article XIII, section 16, of the California Constitution confers adjudicative powers on local boards of equalization and assessment appeals boards. These agencies are the sole judge of questions of fact and of the values of property. In resolving disputed factual issues, the trial court impermissibly shifts the ultimate equalization responsibility from the local board of equalization to the superior court. If the board has used an improper method of valuation or has failed to use proper criteria in valuing the property and there is no evidence or there is a conflict in the evidence, the trial court must remand the matter to the board for further proceedings. Here the Court of Appeal held that upon its finding of improper method, the trial court's authority to independently examine the evidence immediately terminated and that remand of the case to the local board for further proceedings on the issue of value was the proper course. *Norby Lumber Co.* v. *County of Madera*, 202 Cal.App.3d 1352 (1988).

Soft drink syrup and carbon dioxide canisters are not entitled to exemption from property tax.

Taxpayer was assessed property taxes on its reusable containers in the possession of its wholesale customers on the lien date. The taxpayer supplies containers of carbon dioxide gas and containers of syrup which when mixed, become a carbonated beverage. Taxpayer contended it was exempt from property tax by virtue of the business inventory exemption stated in Revenue and Taxation Code sections 129 and 219 and the returnable soft drink container assessment provisions of section 996. The superior court upheld the taxpayer. The Court of Appeal reversed. The appellate court found the gas and syrup containers were in possession of wholesale customers on lien date; that the return of the gas containers was secured by a small security deposit; that the taxpayer did not treat the security deposit as sales income; that the taxpayer treated all containers as depreciable property; and that the taxpayer collects no sales tax for containers, thus indicating title to the containers remain in the taxpayer while in the possession of its customer.

The appellate court found that, unlike soft drink bottles, the cost of the beverage here does not include the cost of the container. The gas and syrup container remains in the control of taxpayer, while soft drink bottles leave control of the taxpayer and pass as property to the purchaser. Since the gas and syrup containers were not intended for sale within the meaning of the inventory exemption, then the property could not be classified as property entitled to the inventory exemption. The court also concluded the gas and syrup containers were not soft drink beverage containers within the meaning of section 996 and thus the containers (unlike soft drink bottles) are not required to be assessed to the person in possession. *Westinghouse Beverage Group, Inc.* v. *County of San Diego*, 203 Cal.App.3d 1442 (1988).

The right to make commercial use of a river for rafting is a taxable possessory interest where such use is exclusive, durable and independent.

The taxpayers, commercial rafting outfitters, operated their businesses on the American River pursuant to permits issued by the defendant ("County") for the purpose of regulating the commercial use of the river.

The assessor determined the taxpayers' commercial use of the river for profit constituted a taxable possessory interest and assessed it. Taxpayers paid the taxes on the assessment and brought an action for refund contending there was no basis for assessing or collecting the taxes. The trial court upheld the assessment and taxpayers appealed.

The Court of Appeal affirmed the judgement of the trial court despite taxpayers' contention that the flow of water in a navigable stream is not "property" subject to taxation, since the taxpayers were not being taxed on the flow of water but on their use of the water. In reaching its decision, the Court of Appeal considered the factors of exclusivity, durability and independence.

The court determined that since no commercial use of the river could be made without a county permit, the taxpayers clearly had something more than a right in common with others. Thus, the right of the general public to use the river did not affect the exclusivity of taxpayers' use of the river as only the taxpayers had a special right of access for profit. The court also found that taxpayers' use of the river met the test of durability and was independent of county control. Since the requirements of exclusivity, durability and independence were clearly established, the court concluded that taxpayers' commercial use of the river constituted a taxable possessory interest. *Scott-Free River Expeditions, Inc.* v. *County of El Dorado*, 293 Cal.App.3d 896 (1988).

Change in ownership takes place at the time of the sale transaction between owner and buyer.

The owner sold a 137 unit apartment home to the buyer on terms that the owner would carry the financing for five years or until the buyer could convert and sell 80 percent of the units as cooperative housing units. The assessor reassessed the property as a change in ownership within the meaning of California Constitution, article XIIIA.

The buyer subsequently defaulted on payment of the loan and the owner regained the ownership of the property through foreclosure action. The owner appealed the change in ownership reassessment, contending the transaction did not convey beneficial use of the property; and also that the buyer acquired only legal title to the property and the contingent right to acquire ownership.

The Court of Appeal upheld the superior court decision, holding the transaction was a change in ownership. The court found that the agreement had all the typical indicia of a typical sales transaction. *Cal-American Income Property Fund II* v. *County of Los Angeles*, 208 Cal.App.3d 109 (1989).

LEGISLATION

Business Taxes
Property Taxes

Legislation

During 1989, 521 bills, resolutions, or constitutional amendments affecting the Board were reviewed.

Business and Property Taxes

As one of California's largest tax agencies, the State Board of Equalization influences the development of new state tax laws and policies in many ways. The Board's legislative unit regularly reviews and prepares analyses of legislation that affects tax programs, and the Legislative Committee recommends formal positions to be adopted by the five-member Board. The Committee also prepares the Board's annual legislative program, a proposal of changes concerning administrative, technical, or policy aspects of the law.

Members of the staff regularly testify before the Legislature's policy and fiscal committees and provide technical assistance to the Governor, members of the Legislature, and to officials of the Department of Finance.

During 1989, 521 bills, resolutions, or constitutional amendments affecting the Board were reviewed. In addition, the Board sponsored several bills designed to modify and clarify business tax and property tax laws. For example, one bill would authorize relief of certain penalties imposed under various tax programs administered by the Board. Another would revise provisions of the Cigarette Tax Law to conform to the provisions of the Tobacco Tax and Health Protection Act of 1988 (Proposition 99).

Information about Board-sponsored bills and some of the most significant bills passed by the Legislature, follows.

Business Taxes

Information in this section is arranged alphabetically by subject according to the number of the bill.

County Offices of Education

Senate Bill 729, Chapter 205, Statutes of 1988. Amends Section 6361.5 of the Sales and Use Tax Law; effective June 23, 1988, operative October 1, 1988.

Any county office of education is added to the list of organizations that are regarded as consumers, not retailers, of yearbooks and catalogs prepared for and by them and distributed to students.

Diesel and Jet Fuel

Assembly Bill 884, Chapter 500, Statutes of 1988. Amends Sections 6011 and 6012 and adds Section 6423 to the Sales and Use Tax Law; effective August 22, 1988.

Federal excise tax on diesel fuel and jet fuel is now exempt from sales and use tax when it is used in an exempt manner and when the purchaser is entitled to either a direct refund or credit against his or her income tax for the federal excise tax paid.

Donated Property

Senate Bill 2508, Chapter 905, Statutes of 1988. Adds Section 6403 to the Sales and Use Tax Law; effective September 14, 1988.

Exempt from use tax is property donated by retailers to specified nonprofit organizations located in California, including, but not limited to, public schools, libraries, hospitals, and churches.

Fuel and Petroleum Products

Senate Bill 1942, Chapter 1227, Statutes of 1988. Adds Section 6357.5 to the Sales and Use Tax Law; effective September 23, 1988.

The sale or use of fuel and petroleum products purchased by an air common carrier for immediate consumption or shipment in the conduct of its business as a common carrier, on a flight whose first destination is a foreign destination, is exempt from sales and use tax.

Hazardous Waste

Assembly Bill 1196, Chapter 1376, Statutes of 1988. Amends Sections 25174.02 and 25174.6 and repeals and adds Sections 25205.1, 25205.2, 25205.3, 25205.4, 25205.5 and 25205.6 of the *Health and Safety Code;* effective September 26, 1988.

Formulas for hazardous waste disposal fees, facility fees, and generator fees have been revised to enhance compliance with the Hazardous Waste Control Law.

Assembly Bill 3383, Chapter 1632, Statutes of 1988. Amends Section 25110 of the *Health and Safety Code;* effective January 1, 1989.

The definitions used in the federal Resource Conservation and Recovery Act for the following terms now apply to the hazardous waste control law: *disposal, hazardous waste facility, hazardous waste management, person, storage, storage facility,* and *treatment.*

Assembly Bill 4636, Chapter 1631, Statutes of 1988. Adds Section 25143.1 to the *Health and Safety Code;* effective January 1, 1989.

Geothermal waste resulting from drilling for geothermal resources is exempt from the fee imposed under the Hazardous Waste Control Law.

Senate Bill 2437, Chapter 1085, Statutes of 1988. Amends Section 25250.24 of the *Health and Safety Code;* effective January 1, 1989.

Used oil removed from a motor vehicle and subsequently recycled by a recycler holding valid permits is exempt from generator fees and may be excluded from calculations made to determine the total generator fee for hazardous waste.

Landfill

Senate Bill 825, Chapter 1647, Statutes of 1988. Amends sections 6011 and 6012 of the Sales and Use Tax Law; effective October 1, 1988.

Exempt from sales or use tax are charges for transporting landfill such as sand, gravel or dirt from an excavation site to a site specified by the purchaser.

Motion Pictures

Senate Bill 1405, Chapter 1157, Statutes of 1988. Adds Section 6010.6 to the Sales and Use Tax Law; effective September 22, 1988.

The following transactions are exempt from sales and use tax:

- The performance of qualified production services in connection with the production of any qualified motion picture
- Any transfer of any qualified motion picture or any interest or rights therein if the transfer is made prior to the date that the qualified motion picture is exhibited

In addition, the following items are now subject to tax (unless otherwise exempt):

- Raw film stock or videotape stock
- Release prints or tapes for exhibition or broadcast

- Film libraries consisting of collections of previously released complete motion pictures.

Seller's Permits

Assembly Bill 3083, Chapter 1029, Statutes of 1988. Amends Section 6073 of the Sales and Use Tax Law; effective January 1, 1989.

The Board may require the operator of a special event, such as a trade show, collectors' show, county fair, and crafts fair, to obtain evidence that each seller on the premises of the operator is the holder of a valid seller's permit.

Taxpayers' Bill of Rights

Assembly Bill 2833, Chapter 1574, Statues of 1988. Adds Section 7156 to the Sales and Use Tax Law and Article 3 (commencing with Section 7080) to Chapter 8, Part 1, Division 2 of the Sales and Use Tax Law; effective January 1, 1989.

The Board is required to:

- Establish the position of a taxpayers' Rights Advocate.
- Expand its taxpayer education program.

In addition, according to the bill:

- The amount of revenue collected or assessed may not be used to evaluate Board employees.
- Taxpayers are entitled to be reimbursed for fees and expenses related to a Board hearing if the Board finds that the staff's action was unreasonable.
- The Board's executive officer may settle a disputed tax liability of $5,000 or less.
- Under certain circumstances the cost of litigation related to tax cases may be paid for by the Board.

Use Fuel Tax Rate

Assembly Bill 3257, Chapter 774, Statutes of 1988. Amends Section 8651.8 of the Use Fuel Tax Law; effective September 9, 1988.

The repeal date for the provision imposing the use fuel tax rate on the use of ethanol or methanol fuels is extended from January 1, 1989, to January 1, 1994. Therefore, the rate will be continue to be one–half of the general rate ($.09 cents per gallon).

Vending Machine Sales

Assembly Bill 3083, Chapter 1029, Statutes of 1988. Amends Section 6359.2 of the Sales and Use Tax Law; effective January 1, 1989.

Sales of hot coffee, hot tea, and hot chocolate from vending machines are partially exempt from sales and use tax. The percentage of gross receipts exempt from tax is 23 percent during the calendar year 1988; 45 percent during the year 1989; and 67 percent thereafter.

Youth Organizations

Assembly Bill 2693, Chapter 710, Statutes of 1988. Amends Section 6361 of the Sales and Use Tax Law; effective August 29, 1988.

Special Olympics, Inc.; American Youth Soccer Organization; California Youth Soccer Association (North); California Youth Soccer Association (South); and Pop Warner Football have been added to the list of specific youth organizations classified as consumers rather than retailers of food products, nonalcoholic beverages, and tangible personal property that is produced by the organization on an irregular or intermittent basis.

Assembly Bill 2822, Chapter 711, Statutes of 1988. Adds Section 6361.1 to the Sales and Use Tax Law; effective August 29, 1988.

Any youth organization approved by the Board will be regarded as a consumer, not a retailer, of food products, nonalcoholic beverages, and tangible personal property produced by its members if the youth organization's primary purpose is to:

- Provide a supervised program of competitive sports for youth.
- Promote good citizenship in youth.

The youth organization must not discriminate and must qualify for tax-exempt status under Section 501(c) of the *Internal Revenue Code*.

Property Taxes

Information in this section is arranged alphabetically by subject according to the number of the bill. Information about constitutional amendments is included at the end of this section.

Cable Television

Assembly Bill 3234, Chapter 1630; Statutes of 1988; adds Section 107.7 to the Revenue and Taxation Code effective January 1, 1989.

Establishes a preferred method for valuing a cable television possessory interest and provides that intangible assets or rights of a cable television system are not subject to *ad valorem* taxation except to the extent they are necessary to put the interest to beneficial or productive use.

Change in Ownership

Senate Bill 1736, Chapter 700, Statutes of 1988; amends Section 63.1 of the Revenue and Taxation Code effective January 1, 1989.

Provides that the term *transfer* (for purposes of the parent-child exclusion from change in ownership) includes the transfer of the present beneficial ownership of property from an eligible transferee through the medium of an *inter vivos* trust or testamentary trust.

Computer Equipment

Senate Bill 2584, Chapter 1559, Statutes of 1988; adds Section 226 to the Revenue and Taxation Code effective September 30, 1988.

Exempts from property tax all computer equipment of the San Diego Supercomputer Center located on the campus of the University of California at San Diego.

Full Cash Value Definition

Assembly Bill 3382, Chapter 1519, Statutes of 1988; amends Section 110 of the Revenue and Taxation Code effective January 1, 1989.

Provides that the purchase price of real property shall be rebuttably presumed to be the full cash value or fair market value of the property unless it is established by a preponderance of the evidence that the price paid is not indicative of an open-market transaction.

Provides that the change in ownership statement for real property (other than possessory interests) must include specific information prescribed by the Board. If the specified information is not furnished, the rebuttable presumption will not apply.

Housekeeping Bills

Assembly Bill 2878, Chapter 1271, Statutes of 1988; amends sections 65, 75.21, 251, 254, and 255 of, amends and repeals Section 69.5 of, and adds Section 259.11 to, the Revenue and Taxation Code effective September 26, 1988. Sponsored in part by the Board.

Changes various sections of the *Revenue and Taxation Code* . Descriptions of the changes follow.

- Implements ACA 1 (Proposition 90). Persons over age 55 are now allowed to transfer the base-year value of their home to a replacement home in another county that has adopted an ordinance approving the value transfer.
- Revises the procedure for filing a claim for the homeowner's exemption and the exemption for aircraft of historical significance.

Senate Bill 569, Chapter 560, Statutes of 1988; amends sections 64, 65, 75.21, 75.60, 231, 251, 254, 255, and 606 of, and adds Section 259.12 to the Revenue and Taxation Code effective January 1, 1989. Sponsored by the Board.

Changes various sections of the *Revenue and Taxation Code*. Descriptions of the changes follow.

- Clarifies specific change-in-ownership provisions relating to the reorganization of farm credit institutions.
- Modifies filing procedures for various property tax exemptions.
- Revises the procedure for assessing land situated in two or more revenue districts.

Leased Property

Senate Bill 2709, Chapter 1296, Statutes of 1988; adds Section 236 to the Revenue and Taxation Code effective January 1, 1989.

Provides an exemption from property taxes for property leased for 35 years or more if the property is used exclusively for rental housing for qualifying low income tenants and is leased by an organization that qualifies as charitable under Section 501 (c) of the *Internal Revenue Code*. Property must be used in accordance with the tax exempt purpose of the organization.

Mobile Home Parks

Senate Bill 1885, Chapter 1076, Statutes of 1988; amends Section 62.1 of, and adds Section 2188.10 to, the Revenue and Taxation Code effective January 1, 1989. Sponsored by the Board.

Clarifies the rules allowing a change in ownership exclusion when a mobile home park is transferred to an entity formed by the tenants of the park.

Senate Bill 2104, Chapter 1625, Statutes of 1988; amends Section 11010.8 of the Business and Professions Code, and adds Section 62.2 to the Revenue and Taxation Code effective January 1, 1989.

Excludes from change in ownership the transfer of a mobile home park to an interim entity if the park is transferred within 270 days to an entity formed by the tenants in a transaction excluded from change in ownership.

Property Tax Deferral for Counties Declared Disaster Areas

Senate Bill 1910, Chapter 1507, Statutes of 1988; amends sections 8680.2, 8680.3, 8680.4, 8682.8, 8685, 8685.7, 8685.8, 8686, 8686.3, 8687.2, 8690, 8690.4, and 16418 of, adds Section 8282.9 to, the Government Code, adds Chapter 5 (commencing with Section 194) to Part 1 of Division 1 of the Revenue and Taxation Code, and adds Chapter 5.8 (commencing with Section 13600) to Part 3 of Division 9 of the Welfare and Institutions Code effective January 1, 1989.

Provides for the deferral of property taxes for property located in a county declared by the Governor to be in a state of emergency.

Proposition 58

Assembly Bill 3020, Chapter 769, Statutes of 1988; amends Section 63.1 of the Revenue and Taxation Code effective January 1, 1989. Sponsored by the Board.

Makes several changes to statutes implementing Proposition 58, which was approved in November 1986.

Residency Requirement, Disabled Veterans

Senate Bill 726, Chapter 411, Statutes of 1988; amends Section 205.5 of the Revenue and Taxation Code effective January 1, 1989.

Eliminates the residency requirement for the disabled veterans' exemption.

Trial De Novo, State-assessed Property

Senate Bill 2601, Chapter 1372, Statues of 1988; amends Section 5149 of, and adds Article 3.5 (commencing with Section 5170) to Chapter 5 of Part 9 of Division 1 of, the Revenue and Taxation Code effective January 1, 1989.

Specifies that in any action for a refund of state-assessed property taxes, the superior court shall not be limited to the review of the administrative record but shall hear all evidence relating to the valuation of the property admissible under the rules of evidence. The court is required to base its decision on the preponderance of the evidence before it.

Unitary Mining and Mineral Properties

Senate Bill 2295, Chapter 1480, Statutes of 1988; adds Article 1.9 (commencing with Section 1642) to Chapter 1 of Part 3 of Division 1 of the Revenue and Taxation Code effective January 1, 1989.

Provides for special appeal procedures for assessees of qualifying unitary mining or mineral properties.

Welfare Exemptions

Assembly Bill 3842, Chapter 1591; Statutes of 1988; amends Section 214 of the Revenue and Taxation Code effective January 1, 1989.

Extends the welfare exemption to include property that is used occasionally for fund-raising purposes by the owner or other specified charitable organizations. Also provides that specified housing can qualify for the welfare exemption if it is institutionally necessary.

Senate Bill 753, Chapter 77, Statutes of 1988; amends Section 214 of the Revenue and Taxation Code effective April 14, 1988.

Extends the welfare exemption to property used exclusively for an emergency or temporary shelter and related facilities for homeless persons and families if the property is owned and operated by religious, hospital, scientific, or charitable funds, foundations, or corporations meeting specified requirements. In addition, the bill provides for a partial exemption for that property if nonexempt housing or related facilities are included.

Senate Bill 2407, Chapter 1606, Statutes of 1988; amends sections 202 and 203 of, and adds Section 214.05 to, the Revenue and Taxation Code effective January 1, 1989.

Partially denies the welfare exemption for property producing unrelated business income. The exemption is prorated based on the portion of the property producing unrelated business income.

Constitutional Amendments

Assessors, Elected Officials

Resolution Chapter 1, Statutes of 1988, SCA 35; amends sections 1 and 4 of Article XI of the California Constitution effective June 7, 1988. Proposition 66.

Requires the office of county assessor to be an elective office in both chartered and general law counties.

Change in Ownership; New Construction Exclusion—Severely Disabled

Resolution Chapter 102, Statutes of 1988, SCA 37; adds a paragraph to subdivision (a) of, and amends subdivision (c) of, Section 2 of Article XIII A of the California Constitution effective upon voter approval June 5, 1990.

If approved, this constitutional amendment would authorize the Legislature to extend the provisions relating to the transfer of base-year values (Proposition 60) to severely disabled homeowners of low or moderate income.

The Legislature would also be authorized to exclude from the definition of *new construction* the construction, installation, or modification of any portion or structural component of a single-family or multiple-family dwelling eligible for the homeowners' exemption if the construction, installation, or modification is for the purpose of making the structure more accessible to disabled persons.

Intercounty Transfers of Base Year Value

Resolution Chapter 64, Statutes of 1988, ACA 1; amends the second paragraph of subdivision (a), amends subdivision (i), and adds a third paragraph to subdivision (a) of, Section 2 of Article XIII A of the California Constitution effective November 8, 1988. Proposition 90.

Proposition 90 authorizes counties to adopt an ordinance accepting the transfer of a base-year value from an original dwelling located outside the county to a qualified replacement dwelling in the county. Clarifies the effective date of subdivision (i) of Section 2, Article XIIIA.

Residency Requirement, Veterans

Resolution Chapter 68, Statutes of 1988, SCA 16 ; amends subdivisions (o), (p), and (q) of Section 3 of Article XIII of the California Constitution effective November 8, 1988. Proposition 93.

Removes the residency requirement for the veterans' exemption.

OPERATIONS

Administration
Business Taxes
Property Taxes

Personnel Management Division

In 1988-89 the Personnel Management Division continued its development of a comprehensive Personnel Policy and Procedures Manual which is designed to help Board staff better manage personnel activities. In addition, new personnel procedures are being designed to increase staff efficiency and effectiveness.

Significant accomplishments of the units within the Personnel Management Division follow.

Classification Unit

The Classification Unit developed two new deep classes: Tax Auditor for Board of Equalization and Business Taxes Representative. Both classes were approved by the State Personel Board on January 11, 1989. The establishment of these deep classes allows management more flexibility in the hiring process and easier employee movement from one alternative range to the next higher alternate range.

Transaction Unit

The Transaction Unit is going through numerous improvements to provide better service to employees, including the development of a training class for attendance coordinators. and the development of new procedures designed to increase operational efficiency.

Injured State Worker Program

The Injured State Worker Assistance Program facilitates the return to work of employees who are injured from either industrial or non-industrial causes. The program's goal is to reduce the Board's annual costs of industrial compensation and medical expenses which average $250,000. Last year, 197 employees were helped through this program.

Examination Unit

The Board has continued to expand its decentralized examination testing program as mandated by the State Personnel Board (SPB). On July 1, 1987, the SPB decentralized all promotional examinations for servicewide classifications. The Board's Examination Unit previously had responsibility for 75 Board-specific, entry-level and promotional classifications. The completion of decentralization of servicewide classifications resulted in the unit's assuming responsibility for an additional 125 entry-level and promotional examinations for servicewide classifications used by the Board.

Under the decentralized program, the Board is now responsible for planning, scheduling and administering examinations for 200 different classifications. Each examination, depending on the classification and the Board's need, will be scheduled and administered on a yearly, two-year, or three-year cycle.

During 1988-89 the decision was made to change the testing cycle for the Business Taxes Representative and Tax Auditor classifications from monthly testing to semi-annual testing. Because of the new cycle and innovative recruitment efforts, the

Examination Unit processed 1,500 applications during the first examination given on a six-month basis. This is the same number processed during the entire year under the prior monthly schedule.

The Examination Unit is also strengthening three of its program activities:

- Providing information to employees regarding the examination process
- Improving management procedures
- Improving the content of oral and written examinations

During 1988-89 the unit prepared and issued to all Board employees informational memorandums describing the examination appeals policy, the rescheduling policy, and the Promotional Readiness Examination process. The unit is developing an Examination Process Handbook for employees and is also preparing information for the Human Resources Manual.

In an effort to better handle the increased flow of work, the unit has developed a four-year calendar to help plan and project the yearly workload. Using this schedule, the unit will be able to adjust testing cycles and minimize uneven workload patterns.

Labor Relations

New labor contracts for all nine bargaining units at the Board were negotiated and ratified. Contract provisions were contended more this year than in previous years; as a result, bargaining in some units lasted a full year.

The negotiations did result in a number of significant changes. In bargaining unit 1 a large number of special salary increases were granted to specific classifications and not to others, breaking long-maintained historical salary relationships. This is a drastic change that will affect the classification structure in many departments.

To encourage audit employees to pass the Certified Public Accountant written examination, a new bonus payment plan was developed. A represented employee who passes the written CPA examination may now qualify for a $3,600 bonus paid over three years. For nonrepresented employees, the bonus is $4,800. The bonus approach provides consistent recognition and reward to employees which was not possible under the prior one-step salary increase which offered no financial benefit to employees already at the maximum of their salary range.

Catastrophic leave, which was previously available only to nonrepresented employees, is now available to represented employees. Board employees who experience a catastrophic illness or injury and exhaust their sick leave and vacation balances may request and be approved to receive limited leave credits from other employees. In fiscal year 1988-89, 12 of the 14 requests received were approved.

The contracts also introduced the Commute Program. Employees working in facilities served by congested traffic routes are now eligible for a 50 percent discount on transit passes—up to a maximum monthly value of $15. In addition, eligible van pool drivers will receive $50 per month.

A pamphlet entitled *Compensation Plus* was compiled and published during the year. It summarizes the primary benefits for nonrepresented employees.

Training

The Board Training Program is dedicated to the development of the knowledge, skills, and abilities of its employees in order to provide quality public service, increase productivity, and to cultivate self-development. The program includes on-the-job training and experience, programmed texts, and formal classroom instruction.

This fiscal year, over 7,500 participants benefited from the Board's various training opportunities.

Adding to the broad range of Board classes being offered, Training Office staff developed and introduced new general skills courses to its program. Courses in career development, grammar, spelling and punctuation, and provisions for on-the-job training are now available to Board employees. Specialized courses in auditing, tax compliance, property appraisal, and data processing are designed and conducted by Board staff.

Mandatory annual training is an integral component of the management development program. Board executives, managers, and supervisors are required to complete 8 to 16 hours of training in selected management topics. To enhance this program, management development conferences were presented in Napa and Oxnard. The conferences presented a variety of managerial and supervisory topics designed to strengthen the delivery of services to the public.

Employee Assistance Program

During 1988-89 more than 350 Board employees used the Employee Assistance Program for help with their problems.

The types of problems for which employees sought assistance last year were divided as follows: 21 percent substance abuse-related issues; 18 percent family and marital and problems; 26 percent emotional problems, including stress; 15 percent legal and financial problems; 11 percent job-related difficulties; and 8 percent medical problems.

Fifty-six percent of the employees worked in headquarters, and 44 percent worked in field offices. Women accounted for seventy-two percent of the employees who requested help, and men accounted for 28 percent.

During the year, EAP staff provided training and orientation for employees and supervisors; awarded and administered backup EAP service contracts; continued its coordination of Board child care activities; and disseminated a bimonthly newsletter.

EAP published a Long Beach/ Downey Area *Child Care Handbook*. It also sponsored, along with the Women's Advisory Committee, a Wellness Faire at headquarters to provide health and wellness information to employees and to provide optional medical tests.

Disabled Advisory Committee

The Disabled Advisory Committee continues to pursue correction of the underrepresentation of disabled persons in all occupational categories, elimination through training of attitudinal barriers and stereotypes that managers may have regarding persons with disabilities, improved representation of disabled persons in the state workforce, and enhanced communication of the special concerns and perceptions of disabled persons.

The committee works closely with the Equal Employment Opportunity office which provides advice to the Executive Director. At this time, the committee's primary focus is on recruitment and retention, and in this regard there is special emphasis on the role played by individual committee members. The committee is very supportive of LEAP hiring and is highly committed to providing fully accessible facilities for employees and the public.

Equal Employment Opportunity

The Board's primary affirmative action goal is to achieve and maintain a workforce of minorities, women, and persons with disabilities which represents the general California population. Another goal is to maintain a discrimination-free work environment. The Affirmative Action Office is responsible for developing and administering the programs that enable the Board to achieve these goals.

The Executive Director has created an Affirmative Action Task Group to ensure that the Board accelerates its progress toward achieving labor force parity on a horizontal and vertical basis for all groups. The task group will assess the Board's current affirmative action program and will develop an upgraded plan by March 1990.

For fiscal year 1988-89 the Board established a goal of hiring 25 persons with disabilities. That goal was met through the Limited Examination and Appointment Program, with the hiring of 35 persons with disabilities—a 7.7 percent increase. The total disabled workforce has increased from 114 to 134 persons. This group, however, is still under parity by 50 employees. The task group will be addressing this problem in program recommendations.

The Hispanic group continues to be the most underrepresented group in state service as well as at the Board of Equalization. The Board is currently under parity by 81 Hispanic employees. The number of Hispanic employees hired last year totalled 88, or 19.3 percent of all Board hires. This percentage is one of the highest rates in state service for departments hiring 300 or more employees annually.

The Board continued to make progress in hiring Hispanics in the entry-level professional classifications of Business Taxes Representative and Tax Auditor. In the Business Taxes Representative class, eight Hispanics were during 1988-89, or 34.8 percent of all hires in that classification. The number of Hispanics hired as Tax Auditors totalled 19, or 16.0 percent of all hires in that classification. This is an excellent rate since Hispanic accounting graduates comprise less than five percent of all accounting graduates.

The Board again conducted interviews at the University of Texas at El Paso to specifically recruit Hispanic candidates.

Women in the Business Taxes Representative and Tax Auditor classes account for 316 out of 742 employees in these classifications, or 42.6 percent of the total. Women are only two employees short of reaching parity (42.8 percent) in these classes, which are the largest at the Board. Women were hired at a rate of 46.2 and 43.5 percent in the Tax Auditor and Business Taxes Representative classes. In the supervisory/managerial classes, women continue to be underrepresented.

The Board's Statewide Recruitment Program again attracted a large number of candidates. Approximately 900 Tax Auditor and 700 Business Taxes Representative candidates were placed on hiring lists. Interviews were held at 21 colleges in California and at one out-of-state college.

The Summer Work Program provided work experience for 110 young persons throughout the state. The majority of hires were selected from the Board's underrepresented groups.

Information Management Division (IMD)

In May the Information Management Division implemented a new sales and use tax return processing system to accommodate the growing number of transit tax districts. Staff also implemented a redesigned delinquency processing system in June. Both systems use state-of-the-art database, on-line updating and remote-office printing capabilities.

As the result of work completed this year, IMD now provides sales tax allocation and registration data to cities and counties on magnetic tapes or floppy diskettes. Previously, local jurisdiction were limited to paper reports and microfiche film. Local jurisdictions review data related to retailers within their jurisdictions to identify the potential misallocation of local taxes due to taxpayer error.

Cashier Unit

The Cashier Unit received and processed more than 4.26 million tax payments during 1988-89, representing revenues totaling $18.4 billion. While the number of payments increased by approximately two percent, or 100,000, the total amount deposited increased approximately six percent. The majority of tax payments are banked the same day they are received to earn maximum interest for the state. On June 26, 1989, a record was set for the highest number of payments deposited in a single day—$576.5 million.

The Board's cashiering operation is one of the three largest in California state government. To manage an increasing and fluctuating workload, the unit uses state-of-the-art electronic equipment and a large staff of permanent intermittent employees to streamline the annual processing of more than four million returns.

District Offices

The Board encourages voluntary compliance from the almost 900,000 registered taxpayers. To help taxpayers meet and understand their tax obligations, the Board offers assistance through 57 offices located statewide. The Board also maintains offices in New York, Chicago, Houston, and Sacramento for taxpayers who do business in California but whose records or headquarters are located in other states.

Anyone opening a new business or buying an established business first makes contact with the Board's staff through a field office. Board representatives issue seller's permits and provide information on how taxes apply to the type of business for which a permit is being issued. During the life of a typical business, the taxpayer will normally have infrequent contacts with Board employees, unless the taxpayer becomes delinquent in filing returns or paying taxes.

The Board's field offices are staffed by employees whose responsibilities are organized into two primary functions—audit and compliance. The audit staff conducts onsite audits of existing accounts and prepares reports of findings and recommendations for processing by headquarters audit staff. The compliance staff registers taxpayers, provides advisory services, and collects delinquent taxes.

In May 1989 the Board opened its newest office in Riverside. This office serves taxpayers in Western Riverside County.

Processing Tax Returns

All tax returns are reviewed and verified at Board headquarters. During fiscal year 1988-89, over 3.83 million returns were filed by California taxpayers, an increase of 1.1 percent over the preceding year.

Enforcement Activities

The Board's compliance staff is responsible for the equitable and uniform enforcement of the tax laws. Proper licensing of persons required to report and pay taxes is the major objective. Compliance staff work in all the Board's field offices to provide assistance to taxpayers in the preparation of their returns and to interpret tax laws and regulations.

The collection of delinquent tax payments is primarily the responsibility of field offices. Generally fewer than 10 percent of the business tax accounts in California require special attention. The Collections Unit at Board headquarters in Sacramento advises and assists field offices with legal collections such as bankruptcies, probates, and assignments. During the fiscal year, the Board collected delinquent accounts receivable amounting to $193,746,956.

The Occasional Sales Use Tax Unit administers the use tax due on nondealer sales of vehicles, vessels, aircraft and mobile homes. This unit maintains a close liaison with all state registration and enforcement agencies.

The Department of Motor Vehicles collects the use tax on the Board's behalf as part of the vehicle and vessel registration process. Similarly, the Department of Housing and Community Development collects use tax on mobile homes. If these agencies are unable to collect the tax or determine the merits of a claimed exemption, the transaction is sent to the Board's Occasional Sales Use Tax Unit or the field offices for review.

During the year the Occasional Sales Use Tax Unit initiated a program to review U.S. Customs Declarations to identify and collect use taxes owed on tangible personal property purchased abroad for use in California. In addition, the unit assumed responsibility for processing use tax leads and billing use tax owed on mail order purchases of tangible personal property shipped to California consumers.

This fiscal year the Department of Motor Vehicles collected $276,975,662 in use taxes for the Board; the Department of Housing and Community Development collected $14,268,066; and the Occasional Sales Use Tax Unit collected $35,667,439, for a total of $326,911,167.

Audit Program

Most of the taxes administered by the Board are self-reported by those holding tax permits. In order to assure that permit holders report neither more nor less than the law prescribes, the Board maintains a vigorous and effective audit program.

The Board's audit selection system is designed to use audit resources in the most cost-effective manner possible by concentrating on the accounts in which the likelihood of inaccurate reporting is the greatest.

Approximately 3 percent of the Board's active accounts are audited in any one year. This work is performed by 830 auditors engaged in field auditing; 686 are assigned to the California field offices, and 144 to the Board's out-of-state audit offices.

The audit program also provides information and assistance to taxpayers, enabling them to complete returns and pay their taxes correctly and efficiently. Interpretations of the law and related regulations, which are obtained by taxpayers during the audit process, provide them with a basis for the proper reporting of future tax liabilities. This is true whether the audit results in a no-change recommendation, or discloses understatements or overstatements of reported tax.

The Board believes that a sound audit program fosters a climate of cooperation, which leads to greater accuracy in self-assessment.

ANALYSIS OF BUSINESS TAXES FIELD AUDIT ACTIVITY
FISCAL YEAR 1988–89

	Number of Audits	*Number of Hours*	*Hours Per Audit*	*Audit Recovery*	
				Net Tax Deficiencies	*Refunds*
Tax Program	*a*	*b*	*a,b*	*a,c,d*	
Sales and Use Tax	21,707	1,142,260	52.62	$375,660,703	$24,269,659
Use Fuel Tax	512	12,728	24.86	1,905,209	292,881
Motor Vehicle Fuel License Tax	87	6,824	78.44	40,659,468	1,579,373
Alcoholic Beverage Tax	10	126	12.60	41,929	—
Cigarette Tax	41	822	20.05	306,893	—
Total	22,357	1,162,760	52.13	$418,574,202	$26,141,913

[a] Includes field billing order deficiencies based on a field investigation of a limited phase of the taxpayer's business

[b] Includes the transmitted hours for re-audits and hours spent on field waivers

[c] Includes audit recovery arising from state-administered local taxes

[d] Adjusted for estimated cancellations

During 1988-89 the Board's business taxes audit program disclosed net deficiencies of $418.6 million. Net tax deficiencies per audit hour for the fiscal year were $359.98. Net tax deficiencies per dollar of cost were $6.91 for the sales and use tax audit program.

Areas of Noncompliance

Percentage	Areas of Noncompliance
27.6	Unreported ex-tax purchases from out-of-state vendors
20.6	Errors in claiming sales for resale
07.4	Property for own use purchased for resale in error
06.5	Taxable sales recorded but not reported
04.8	Errors involving leases of tangible personal property (excluding mobile transportation equipment)
04.1	Unreported sales of business assets
03.7	Unreported material costs by construction contractors
03.4	Errors involving leases of mobile transportation equipment
03.1	Tax accrued but not paid
18.8	Miscellaneous errors in a variety of areas

Type of Business Making Errors

Percentage	Type of Business Making Errors
13.8	Distributors of heavy industrial equipment and machinery, such as factory or farming equipment
13.7	Transportation service companies, e.g., airlines or auto rental firms
12.9	Distributors of light industrial equipment and machinery, such as hospital or laundry equipment
09.6	Manufacturers of electronic equipment
06.6	Specialty stores, such as pet or toy stores
05.8	Construction contractors
05.4	Repair shops excluding auto repairs
03.2	Manufacturers and wholesalers of household furniture and wearing apparel
03.1	Service enterprises, such as advertising agencies and banks
25.9	Various other types of businesses with small errors for each type

Areas of Noncompliance

The Board is required by the Taxpayers' Bill of Rights bill to identify areas of the Sales and Use Tax Law with which taxpayers are not complying and to report its findings in the annual report. A permanent system for capturing needed data from the audit program was implemented September 1, 1989. Until this system was available for use, data was manually gathered on a sample basis through the audit program.

The sales and use taxes assessed or refunded as a result of the Board's audit program (for the period January 1, 1989 through June 30, 1989) are categorized in the tables on the left.

Of the taxpayers audited, 3 percent had failed to file tax returns for the audit period. In addition, 15 percent of the taxpayers used professional tax preparers.

Appeals Procedure (Petition Unit)

The Board provides an administrative appeals process for taxpayers who disagree with the results of an audit. This process normally begins with the taxpayer working directly with the auditor to resolve a dispute. If the dispute cannot be resolved, the taxpayer may meet with the auditor's supervisor, or from there, with a higher level Board representative.

The taxpayer may also petition for redetermination of audit findings through the Board's Petition Unit and, as part of their petition, may request a formal hearing from the newly formed Appeals Unit (please see "Year in Review" for a description of this unit).

A total of 4,771 taxpayer appeals were received during the year. Approximately 72.8 percent of those were resolved through correspondence. Seven hundred and ten appeals were heard by Board Hearing Officers during the year, and approximately 200 cases were appealed to Board.

The Board of Equalization does not impose or suggest production quotas or goals and does not evaluate individual officers or employees based on the amount of revenues they collect or assess.

Assessment Standards

The Assessment Standards Division assists and monitors the assessment practices of the 58 county assessors' offices. Field offices for this division are located in Fresno, Hayward, Orange, and Sacramento.

Staff provide technical expertise and guidance to county assessors, the legislature and others concerned with property tax assessments through advisory Letters to Assessors, individual responses to specific inquiries, the Assessors' Handbook, and special-topic surveys.

Letters to Assessors

Letters to Assessors interpret rules, laws, and court decisions on property tax assessment to assessors and other interested parties. They include summaries of court rulings, legal opinions, highlights of enacted legislation, property tax rules, and technical bulletins on assessment problems. Approximately 100 advisory letters were issued in 1988-89.

Two examples of letters discussing significant appraisal issues include:

- *Cable Television*. This letter sets forth special procedures for assessing cable television possessory interests resulting from passage of Assembly Bill 3234. The provisions of this bill went into effect on January 1, 1989.
- *Noncommercial Aircraft Values..* This letter analyzed market dynamics related to the value of noncommercial aircraft for the 1989 lien date. The letter was necessary due to an increase, rather than the usual decrease, in aircraft values over the previous year.

Responses to Outside Inquiries

The Board replies to inquiries from assessors, legislators, accounting firms, law firms, taxpayers, and other interested parties and responds to all letters written to the Governor on property tax issues. These inquiries range from general property assessment to technical appraisal questions to legal interpretations of the Revenue and Taxation Code. Approximately 3,100 individual responses to inquiries were written in 1988-89.

Assessors' Handbook

Another form of assistance provided by the Board is the publication and maintenance of the Assessors' Handbook. This handbook is a compilation of manuals on many assessment topics for the guidance of assessors and their staffs. It is constantly updated and expanded to reflect legislative changes and changes in the appraisal and assessment systems.

Assessment Practices Surveys

An important function of the Assessment Standards Division is to conduct Assessment Practices Surveys of county assessor offices. These surveys are designed to "determine the adequacy of the procedures and practices employed by the county assessor in the valuation of property for the purposes of taxation and in the performance generally of the duties enjoined upon him or her." They are currently conducted on a five-year cycle and, to comply with legislative direction, concentrate on revenue-related issues and statutory violations.

The Board's sample appraisal program is designed to provide a representative sampling of the assessment rolls to determine how effectively the county assessor identifies properties subject to revaluation and how well he/she is performing the valuation function. As required by legislation passed in 1986, the results of the sampling program are used to determine whether a county has achieved an average level of assessment of at least 90 percent (or 95 percent for counties in which surveys were started after January 1, 1987) of the statutorily required level. A county must achieve at least a 90 (or 95) percent level in order to be reimbursed for certain administrative costs.

The County Assessor has an opportunity to reply to the report, and the reply will be published, along with any additional Board comments that may be needed. The final report is distributed to the Governor, Senate, Assembly, Attorney General, county assessor, county Board of Supervisors, county grand jury, county assessment appeals board, and other county assessors and may be sent to other interested parties upon request.

In 1988-89 assessment practices survey reports were published for Alpine, Del Norte, Kern, Lake, Mariposa, San Benito, San Diego, Shasta, Sierra, and Sonoma counties.

During the year staff sampled the following county assessment rolls: Amador, Butte, Calaveras, Kern, Lake, Sacramento, San Benito, San Diego, San Mateo, Tehama, and Tulare.

Special Topic Surveys

The Board publishes special-topic surveys on statewide assessment practices. These surveys generally deal with single issues of particular concern to the Board, the assessor, and the legislature. To date, the following special-topic surveys have been published:

- New Construction; Change in Ownership
- Assessment of Open-Space Properties
- Assessment of Oil- and Gas-Producing Properties
- Assessment of Mobilehomes
- Assessment of Possessory Interests
- Assessment Appeals
- Audit Program

Property Tax Exemptions

The California Constitution provides that all property, both personal and real, is taxable unless it is specifically exempted by federal or state law. Property exempted by federal law is immune from assessment and taxation. In addition to exemptions specified in the California Constitution and the Revenue and Taxation Code, the legislature has mandated certain restricted assessments and partial exemptions.

In general, there are two types of exemptions. The first requires the taxpayer to file a claim form, such as the homeowners', veterans', college, and welfare exemptions. The second includes those that do not require the filing of a claim, such as household furnishings, personal effects, growing crops, and business inventories.

Although most of the exemption program is administered locally by the county assessor, the Board does act as a clearinghouse for the homeowners' exemption claims to prevent multiple claims throughout the state. During the year the Board processed nearly 4.5 million homeowner's exemptions, up 1.5 percent from the previous year.

In addition, the Board reviews the assessor's administration of the local exemption programs to ensure accuracy and adequacy and provides advice and instruction.

For the welfare exemption, the Board works directly with the assessors' offices. The welfare exemption is granted to property owned by nonprofit organizations engaged in religious, hospital, scientific, or charitable activities. After a claim is filed with the assessor, it is forwarded for review to the Board with the assessor's comments. The Board recommends granting or denying the exemption claim. The county may deny an exemption that is approved by the Board, but it cannot grant an exemption denied by the Board. When requested, the Board holds hearings on claims it has denied. During the 1988-89 fiscal year, the Board reviewed more than 8,300 welfare exemption claims involving a total of over 15,500 properties.

Subvention Payments

The Constitution and the Revenue and Taxation Code also provide for restricted assessments which result in partial exemptions. Properties in this category include timberland, open-space properties, and historical properties.

The major subventions are for homeowners exemptions and open-space properties.

To offset revenue loss to the counties associated with restricted assessments and exemptions, the state is required to pay subventions to the counties for some of these exemptions.

Appraiser Certification and Training

By law, any person employed by a county assessor or by the Board of Equalization to make value judgments must be certified by the Board. In addition, appraisers must receive sufficient training each year to maintain their appraisal skills and to learn changes in the property tax laws. Permanently certified appraisers must receive 24 hours of training each year, conducted by or approved by the Board of Equalization. Appraisers who have advanced certificates must undergo 12 hours of training each year.

To meet these training requirements, the Board maintains a Certification and Training Unit within the Assessment Standards Division. During the 1988-89 fiscal year, the unit granted permanent certification to 211 beginning-level appraisers and advanced certification to 108 experienced appraisers who either completed a course of study or passed a special examination.

The Certification and Training Unit also coordinates formal appraisal courses, workshops, and seminars to help appraisers improve their knowledge and skills while meeting the training requirements. During the 1988-89 fiscal year, 812 appraisers attended 39 formal courses conducted by the unit.

Legal Entity Ownership Program

The purpose of the Board's Legal Entity Ownership Program (LEOP) is to discover changes in the control and/or ownership of legal entities, such as partnerships and corporations, and to advise assessors of the changes.

Assessors are required to reappraise real property whenever a change in ownership occurs (in the cases of mergers and the acquisition of corporations and partnerships, a change in control is considered the same as a change in ownership).

Because such changes in control are not accompanied by the filing of legal documents in the local recorder's office, it is difficult for local assessors to discover those changes.

During the year more than 60,000 initial questionnaires were sent to legal entities by the LEOP Section, resulting in the reassessment of approximately 7,000 parcels owned by over 750 legal entities.

Contract Audit Program

Some business properties must be audited every four years by the assessor of the county in which the property is located. However, many of the taxpayers who own these properties maintain accounting records out-of-state and may have property in more than one county in California. Because it is not cost-effective for each county to send staff to distant locations to audit only the portion of the taxpayer's business records affecting that county, several counties have formed cooperatives to handle these audits both within California and out-of-state.

The Board offers the counties a similar audit program through a contract arrangement. Since the Board maintains permanently staffed business tax field offices in Chicago, New York, and Houston, the use of Board tax auditors saves travel expense. During 1988-89, nine counties contracted with the Board to perform mandatory audits. Board staff assigned 43 contract audits during the year.

A related program administered by the contract audit manager is the use of out-of-state Board auditors to complete one-year sample audits for the Assessment Standards Division. Fifty-two sample audits were assigned under this program in 1988-89.

Contracts for appraisal and appraisal support services were also executed through the contract audit program. Contract work was undertaken in 1988-89 for three county assessors.

Valuation Division

The Valuation Division is responsible for:

- the valuation of state-assessed properties
- valuation of private railroad cars
- maintenance of the tax-rate area mapping program
- auditing of financial records of utility companies

See the Tax Programs section of this report for information on state-assessed properties and the tax on private railroad cars.

Tax-Rate Area Mapping Program

The Board maintains a Tax-Rate Area Mapping Program in order to allocate the value of railroad properties and nonoperating, nonunitary properties of other state assessees to their appropriate taxing jurisdictions.

These same tax-rate areas are used by county auditors to allocate all property tax revenues to the appropriate taxing jurisdictions.

Under the tax-rate area mapping system, a number is assigned to every geographical area in the state for which there is a different distribu-

tion of revenues among taxing jurisdictions. Each state assessee is required to report their subject properties according to the numbered tax-rate areas. From this information, the Board determines the portion of the utility roll that applies to a county, and this amount is reported to county auditors in August of each year for their use in computing local property taxes.

There are more than 8,000 taxing jurisdictions defined as "revenue districts." They include every city and district for which the county officers assess and collect taxes.

The county auditor's job of allocating property tax revenues is greatly simplified because both the Board roll and the local roll follow the same tax rate area coding system.

As of January 1, 1989, there were 50,757 tax-rate areas, an increase of 3.55 percent over the previous year. More than $69.7 billion in state-assessed values were allocated among these tax-rate areas.

Audits

Organized in 1977, the audit unit of the Valuation Division has recovered escape assessments of approximately $3.9 billion. Since the program's inception escape assessments have generated a total of $44.4 million in additional local tax revenues. For 1988-89, the Board adopted escape assessments totaling $200 million.

Because escape assessments enhance the value of a company, their discovery by Board auditors results in added revenues for local governments every year after the escapes are adopted. This in turn reduces the burden on the state's general fund since any shortfall in the property tax which goes to schools is made up by the state on a dollar-for-dollar basis.

Timber Tax Division

The Timber Tax Division was created in 1977 as the result of legislation which took effect in April of that year.

The Timber Yield Tax Act, which was passed to slow the rapid decline of California's timber supply, replaced an ad valorem tax based on trees which were 40 years old or older. Since the ad valorem tax encouraged growers to harvest timber before it was forty years old, the legislature passed the new law to help conserve California's forests.

The Timber Tax Division registers timber owners, provides tax returns, conducts verification audits, and reviews harvest operations. Division staff members also work on proposed property tax rules, legislation affecting their operation, and timberland values for County Assessor use.

The Timber Yield Tax is explained in the Tax Programs section of this report. Additional information can be found in the Appendix.

APPENDIX

Board History
Organization Chart
Comparison of
Revenues
Statistical Information

HISTORY OF THE BOARD OF EQUALIZATION

1870 State Board of Equalization created by Legislature to deal with property assessment abuses among counties. Board consisted of State Controller and two members appointed by Governor.

1879 State Board of Equalization established under the State Constitution to regulate county assessment practices, equalize county assessment ratios and assess properties of interconnected railroads. Board consisted of four members elected from Equalization districts and the State Controller.*

1911 Constitutional Amendment provided for Board assessment of corporation franchise taxes, bank share tax, gross receipts taxes on public service corporations (utilities), and insurance taxes.

1923 Motor Vehicle Fuel (gasoline) Tax enacted.

1929 Bank and Corporation Franchise Tax enacted with State Board of Equalization as an administrative appellate agency replacing previous assessing function.

1933 Retail sales tax, motor vehicle transportation license tax, and alcoholic beverage tax enacted. Riley-Stewart Plan enacted - assessment of designated public utility properties for local tax purposes.

1935 Use Tax enacted - provided further revenue, protected California retailers from tax-free competition from out-of-state sellers. Personal Income Tax enacted with State Board of Equalization as an administrative appellate agency.

1937 Use Fuel Tax enacted - diesel tax became a supplement to the gasoline tax.

1937 Private Car Tax enacted - state tax on privately owned railroad cars.

1951 Administration of Itinerant Merchants Act transferred by legislation from the Public Utilities Commission to the Board of Equalization. This law imposed an annual fee on persons hauling produce across county lines.

1955 Constitutional Amendment transferred licensing and control of alcoholic beverages from the Board of Equalization to a new Alcoholic Beverage Control Department and the appellate function to the Alcoholic Beverage Control Appeals Board. Taxing functions remained with the Board.

1955 Board-administered Local Sales and Use Taxes program initiated. All California cities and counties were included by 1962.

1959 Cigarette Tax enacted.

1961 Itinerant Merchants law repealed.

1963 Subscription Television Tax enacted.

1964 Subscription Television Tax repealed by an initiative measure.

1966 Property Tax Assessment Reform Law enacted . Mandated certification and training of appraisers, surveys of county assessors' offices, and development of property tax rules and regulations. Also added an appeal procedure at the staff level to the sample property appraisal process.

1967 Legislative action increased the Cigarette Tax and provided that 30 percent of the receipts be distributed to cities and counties according to an equitable allocation formula based on local sales tax allocations.

1969 Aircraft Jet Fuel Tax enacted.

1970 State-administered Transit District Sales Tax program enacted - Bay Area Rapid Transit District and Southern California Rapid Transit District.

1973 Motor Vehicle Transportation License Tax repealed.

1974 Waxman-Dymally Campaign Disclosure Legislation enacted - provided for audit of campaign statements. This activity terminated late in 1975 with passage of Proposition 9, Political Reform Act, in November 1974.

1975 Electrical Energy Surcharge enacted - to fund the State Resources Conservation and Development Commission.

1976 Timber Yield Tax enacted. Emergency Telephone Users Surcharge Law enacted.

1977 Litter Control, Recycling, and Resource Recovery Assessment Act enacted.

1978 Proposition 8 adopted November 7, 1978 amended Article XIIIA to allow reduction of the full cash value base of real property to reflect substantial damage, destruction, or other factors which cause the value to decline.

1979 Litter Control, Recycling, and Resources Recovery Act amended, ending the assessment and allocating funding from the state's general fund.

1982 Administration of two hazardous substances taxes assigned to the Board by legislation. Both are imposed on persons who generate hazardous waste and dispose of it in California.

1984 The Moore Universal Telephone Service Act imposed a tax on certain intrastate telecommunications to subsidize basic telephone service for those who cannot afford it. Tax rates, eligibility, and service systems are determined by the Public Utilities Commission. The Board collects the tax.

1987 The Moore Universal Telephone Service Act repealed and reenacted, transferring administration to the Public Utilities Commission.

1988 Passage of Proposition 99 in November increased the tax on cigarettes and created a Tobacco Products Tax.

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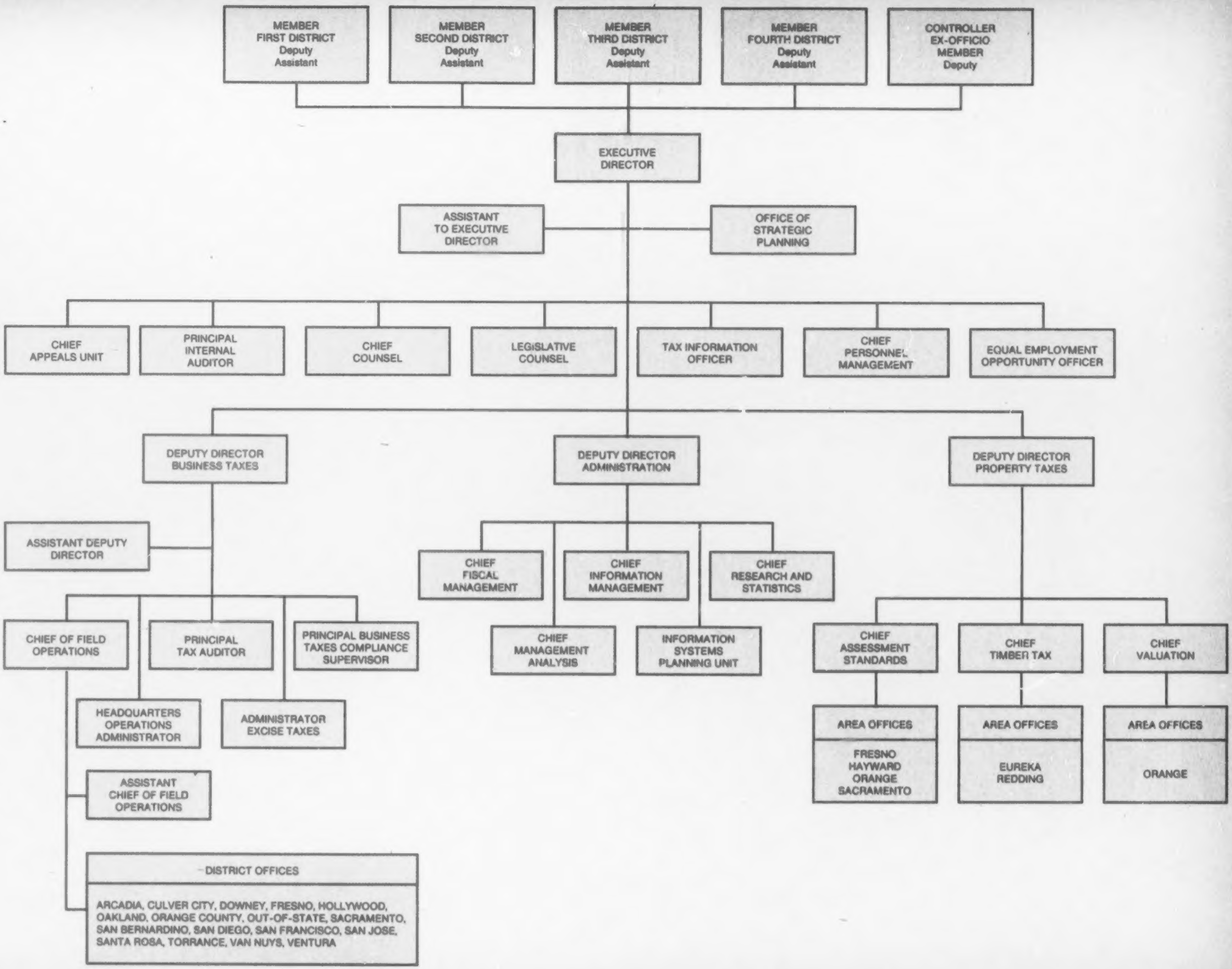
*The Board in its present form was established by Article XIII, section 9 of the Constitution of 1879. "As originally ratified, (it) provided that the board should consist of one member from each congressional district in the State, to be elected by the qualified electors of their respective districts at the general election to be held in 1879, whose term of office, after those first elected, should be four years, and that the Controller should be ex officio a member of the board."

—California Blue Book or State Roster - 1909


MEMBER FIRST DISTRICT Deputy Assistant
MEMBER SECOND DISTRICT Deputy Assistant
MEMBER THIRD DISTRICT Deputy Assistant
MEMBER FOURTH DISTRICT Deputy Assistant
CONTROLLER EX-OFFICIO MEMBER Deputy
EXECUTIVE DIRECTOR
ASSISTANT TO EXECUTIVE DIRECTOR
OFFICE OF STRATEGIC PLANNING
CHIEF APPEALS UNIT
PRINCIPAL INTERNAL AUDITOR
CHIEF COUNSEL
LEGISLATIVE COUNSEL
TAX INFORMATION OFFICER
CHIEF PERSONNEL MANAGEMENT
EQUAL EMPLOYMENT OPPORTUNITY OFFICER
DEPUTY DIRECTOR BUSINESS TAXES
DEPUTY DIRECTOR ADMINISTRATION
DEPUTY DIRECTOR PROPERTY TAXES
ASSISTANT DEPUTY DIRECTOR
CHIEF OF FIELD OPERATIONS
PRINCIPAL TAX AUDITOR
PRINCIPAL BUSINESS TAXES COMPLIANCE SUPERVISOR
HEADQUARTERS OPERATIONS ADMINISTRATOR
ADMINISTRATOR EXCISE TAXES
ASSISTANT CHIEF OF FIELD OPERATIONS
DISTRICT OFFICES
ARCADIA, CULVER CITY, DOWNEY, FRESNO, HOLLYWOOD, OAKLAND, ORANGE COUNTY, OUT-OF-STATE, SACRAMENTO, SAN BERNARDINO, SAN DIEGO, SAN FRANCISCO, SAN JOSE, SANTA ROSA, TORRANCE, VAN NUYS, VENTURA
CHIEF FISCAL MANAGEMENT
CHIEF INFORMATION MANAGEMENT
CHIEF RESEARCH AND STATISTICS
CHIEF MANAGEMENT ANALYSIS
INFORMATION SYSTEMS PLANNING UNIT
CHIEF ASSESSMENT STANDARDS
CHIEF TIMBER TAX
CHIEF VALUATION
AREA OFFICES
FRESNO HAYWARD ORANGE SACRAMENTO
AREA OFFICES
EUREKA REDDING
AREA OFFICES
ORANGE

Comparison with Other Major State Taxes and Licenses

July 1,1988-June 30,1989

(Selected revenues collected by the Board of Equalizaiton compared to selected revenues collected by other state agencies)

		Percentages	
	Revenue	*Change from 1987-88*	*of Grand Total*
Board of Equalization			
Sales and Use Tax	$12,647,378,925	8.4	31.20
Gasoline and Jet Fuel Tax	1,166,054,711	1.8	2.88
Use Fuel Tax (mostly diesel fuel)	154,456,588	4.7	.38
Insurance Companies Tax	1,317,629,576	13.8	3.25
Cigarette and Tobacco Products Tax	560,057,164	123.5	1.38
Alcoholic Beverage Tax	128,264,060	-0.4	.32
Total	**$15,973,841,024**	**10.2**	**39.40**
Other Revenue Programs			
Personal Income Tax	15,885,651,365	22.7	39.19
Bank and Corporation Tax	5,098,595,448	6.7	12.58
Motor Vehicle "in lieu" Tax	1,975,255,673	7.7	4.87
Trailer Coach Fees "in lieu" Tax	26,991,506	-14.8	.07
Motor Vehicle Registration and other Fees	1,140,955,184	3.6	2.81
Estate Tax	315,700,503	11.1	.78
Inheritance Tax	18,648,631	-3.3	.05
Gift Tax	741,695	18.2	—
Horse Racing Revenue	102,583,876	-3.5	.25
Total	**$24,565,123,881**	**16.4**	**60.60**
Grand Total	**$40,538,964,905**	**13.9**	**100.00**

STATISTICAL APPENDIX

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ADMINISTRATION

TABLE 1—SUMMARY OF EXPENDITURES OF THE BOARD
For the period July 1, 1988 to June 30, 1989
(in thousands of dollars)

Function	Expenditures	
	1987–88	1988–89
1	2	3
Personal services	$114,826	$121,616
Operating expenses and equipment:		
General expenses	3,393	4,161
Printing	1,420	1,625
Communications	1,767	1,728
Postage	1,454	1,723
Insurance	21	22
Travel—in-state	2,227	2,186
Travel—out-of-state	1,486	1,799
Training	181	199
Facilities operation	6,557	6,987
Utilities	66	78
Consulting & Professional Services—Interdepartmental	6,909	7,232
Consulting & Professional Services—External	248	232
Consolidated Data Center	42	35
Data Processing	1,617	1,549
Central Administrative Services	317	300
Equipment	2,488	3,285
Other Items of Expense	111	128
TOTALS, Operating Expenses and Equipment	$30,304	$33,269
Totals, Expenditures	$145,130	$154,885
Reimbursements	−38,434	−45,386
Special Funds	−8,582	−8,683
Net Expenditures (General Fund)	$98,114	$100,816

ADMINISTRATION

TABLE 2—SUMMARY OF REVENUES FROM TAXES ADMINISTERED BY THE BOARD, BY FISCAL YEAR, 1978–79 TO 1988–89

(In thousands of dollars)

Revenue source 1	1978–79 2	1983–84 3	1987–88 4	1988–89 5
Local taxes on state-assessed properties [a]	$326,167	$530,042	$724,544	$760,006
Private car taxes [a]	3,325	576	2,571	2,069
Fuel taxes and fees:				
Motor vehicle fuel license taxes: [b]				
Gasoline tax	835,947	1,027,909	1,159,798 [r]	1,186,811
Jet fuel tax	915	845	1,099	1,142
Subtotals	836,862	1,028,754	1,160,897 [r]	1,187,953
Use fuel tax	75,187	125,704	147,581	154,467
Fees	23	33	35	49
Subtotals	75,210	125,737	147,616	154,515
Fuel total	912,072	1,154,491	1,308,513 [r]	1,342,468
Sales and use taxes and fees: [c]				
State taxes	5,810,484	8,797,924	11,662,040	12,647,397
City and county taxes	1,209,699	1,836,018	2,446,676	2,637,065
County transportation tax	302,446	459,621	612,766	652,572
Special district taxes [d]	100,047	465,475	760,066	1,001,122
Fees	310	498	1,931	1,750
Totals	7,422,986	11,559,536	15,483,480	16,939,907
Alcoholic beverage taxes: [c]				
Taxes on beer and wine	25,137	29,450	30,584	30,450
Taxes on distilled spirits	114,923	107,983	98,151	97,814
Totals	140,060	137,433	128,734	128,264
Cigarette and tobacco products taxes: [c]				
Cigarette tax [e]	268,816	263,231	250,572	230,889
Cigarette and tobacco products surtax [f]	—	—	—	329,168
Totals	268,816	263,231	250,572	560,057
Electrical Energy Tax [g]	18,066	32,131	36,942	38,257
Emergency Telephone Users' Surcharge [h]	14,069	25,356	40,532	41,854
Universal Telephone Service Tax [i]	—	—	13,120	130
Timber Yield Tax [j]	42,518	13,219	18,091	19,854
Timber Reserve Fund Tax [k]	3,244	24	—	—
Hazardous Waste Control Tax [l]	—	11,007	35,207	53,180
Hazardous Substance Tax [m]	—	10,247	14,774	14,677
Grand totals	$9,151,323	$13,737,293	$18,057,081 [r]	$19,900,722 [n]

[a] Revenues shown represent those actually received during the indicated fiscal year. Local taxes extended on the state-assessed properties include ad valorem special assessments collected by city and county officials.

[b] Based on business done during the fiscal year, i.e. tax on gasoline distributed. Includes tax, interest, and penalties; refunds have not been deducted.

[c] Revenues received during the fiscal year from self-assessments and on tax deficiencies, interest and penalties assessed by the Board and fees collected for the issuance of permits or their reinstatement. Refund claims certified to the Controller by the Board or credited against subsequent tax liabilities during the fiscal year are deducted.

[d] See the Comparison of Revenues table in the Economic Analysis chapter for detail by special district.

[e] Includes $80,645,000 in 1978–79, $78,969,000 in 1983–84, $75,172,000 in 1987–88 and $69,267,000 in 1988–89 earmarked for cities and counties.

[f] This tax became effective January 1, 1989.

[g] This tax became effective January 1, 1975.

[h] This tax became effective July 1, 1977.

[i] This tax became effective April 1, 1977, but no revenue was due until 1977–78. Administration of this tax was transferred to the Public Utilities Commission effective July 16, 1987.

[j] This tax became effective July 1, 1984.

[k] This tax was effective from April 1, 1977 through December 31, 1982.

[l] Administration of this tax was transferred to the Board from the Department of Health Services in fiscal year 1981–82.

[m] This tax was first levied in 1981–82 on hazardous waste generated in calendar year 1981.

[n] Insurance taxes amounted to $1,091,439,000 but are not shown above because most of the work involved is performed by the Insurance Commissioner.

[r] Revised.

NOTE: Large increases in revenues may be attributable to higher tax rates. Details on rate changes for the business taxes listed above are presented in the following pages of this appendix in the historical table for each tax program.

ADMINISTRATION

TABLE 3A—SUMMARY OF TOTAL COSTS OF PERFORMING BOARD FUNCTIONS, 1987–88 and 1988–89
(In thousands of dollars)

Programs	Board expenditures[a]		Non-board expenditures[b]		Total costs	
	1987–88	1988–89	1987–88	1988–89	1987–88	1988–89
1	2	3	4	5	6	7
County assessment standards	$5,695	$5,680	$297	$287	$5,992	$5,967
State-assessed property[c]	5,256	5,048	293	285	5,549	5,333
Timber tax	1,952	2,006	—	—	1,952	2,006
Sales and use tax	120,574	129,497	4,767	5,179	125,341	134,676
Hazardous substances tax	1,630	2,152	51	69	1,681	2,221
Alcoholic beverage tax	1,590	1,446	49	46	1,639	1,492
Cigarette tax	1,867	2,219	61	72	1,928	2,291
Motor vehicle fuel license tax[d]	694	692	—	—	694	692
Use fuel tax	3,778	3,951	—	—	3,778	3,951
Energy resources surcharge	78	80	—	—	78	80
Emergency telephone users' surcharge	179	310	—	—	179	310
Insurance tax	158	187	47	44	205	231
Universal telephone service tax	190	—	—	—	190	—
Appeals from other governmental programs	1,200	1,300	39	45	1,239	1,345
Administration and support						
Distributed to other programs[e]	(13,185)	(14,199)	—	—	(13,185)	(14,199)
Non-board programs (reimbursable)	289	317	—	—	289	317
Totals, programs	145,130	154,885	5,604	6,027	150,734	160,912
Reimbursements	−38,434	−45,386	—	—	−38,434	−45,386
Special Funds	−8,582	−8,683	—	—	−8,582	−8,683
Net totals, programs	$98,114	$100,816	$5,604	$6,027	$103,718	$106,843

[a] Format conforms to Program Budget presentation.

[b] Includes a portion of the cost of operating central agencies that perform services for the Board; such as offices of the Attorney General, the State Controller, and the State Personnel Board.

[c] Includes the cost of assessing and collecting the private car tax.

[d] Does not include the cost of administering gasoline tax refunds or collecting delinquent gasoline taxes which are functions of the Controller.

[e] These administrative costs are already allocated to the above tax programs.

TABLE 3B—REVENUES AND RATIOS OF BOARD EXPENDITURES AND TOTAL COSTS TO REVENUES FROM ASSESSMENTS MADE BY THE BOARD, 1987–88 and 1988–89[a]

Tax	Revenues (in thousands)		Ratio of board expenditures to revenues (in percent)		Ratio of total costs to revenues (in percent)	
	1987–88	1988–89	1987–88	1988–89	1987–88	1988–89
1	2	3	4	5	6	7
Local taxes on state-assessed property	$727,115	$762,074	.72	.66	.76	.70
Timber tax	18,091	19,854	10.79	10.10	10.79	10.10
Sales and use tax	15,483,480	16,939,907	.78	.76	.81	.80
Hazardous substance tax	49,981	67,857	3.26	3.17	3.36	3.27
Alcoholic beverage tax	128,734	128,264	1.24	1.13	1.27	1.16
Cigarette tax	250,572	560,057	.75	.40	.77	.41
Motor vehicle fuel taxes[b]	1,308,513	1,342,468	.34	.35	.34	.35
Energy resources surcharge	36,942	38,257	.21	.21	.21	.21
Emergency telephone users' surcharge	40,532	41,854	.44	.74	.44	.74
Universal telephone service tax	13,120	130	1.45	—	1.45	—
Totals and ratios	$18,057,081	$19,900,722	.76	.74	.79	.77

[a] Format conforms to Program Budget presentation.

[b] Gasoline tax refunds have not been deducted from collections and the cost of making them is not included in expenditures.

TABLE 4—SUMMARY OF ASSESSED VALUES OF PROPERTY SUBJECT TO LOCAL GENERAL PROPERTY TAXES, AND AVERAGE TAX RATES, 1979–80 to 1989–90 [a]

(Assessed values in millions of dollars)

Assessment agency and type of property	1979–80	1980–81	1981–82 [e]	1982–83	1983–84	1984–85	1985–86	1986–87	1987–88	1988–89	1989–90
1	2	3	4	5	6	7	8	9	10	11	12
County assessors:											
Land	43,335	52,199	238,486	263,447	282,952	312,655	343,274	368,080	403,849	444,011	503,304
Improvements	68,106	79,430	359,878	404,347	437,334	480,170	527,145	581,496	645,242	707,577	782,887
Totals	111,441	131,629	598,364	667,794	720,286	792,825	870,419	949,576	1,049,091	1,151,588	1,286,191
Tangible personal property	16,834	8,430	38,404	43,945	46,661	52,282	60,893	66,514	72,819	78,742	85,394
Gross tangible property totals	128,275	140,059	636,768	711,739	766,947	845,108	931,312	1,016,090	1,121,910	1,230,330	1,371,585
Exemptions:											
Homeowners' exemption	7,006	7,169	29,138	29,421	29,563	29,801	30,209	30,691	31,222	31,754	32,146
Business inventory exemption	4,997	d	d	d	d	d	d	d	d	d	d
All other exemptions [b]	2,895	3,184	14,553	15,460	16,794	18,583	19,416	21,395	24,165	25,945	28,764
Net tangible property totals: [c]											
Net of 'all other exemptions' [b]	125,380	136,874	622,215	696,279	750,154	826,524	911,896	994,695	1,097,745	1,204,385	1,342,821
Net of all exemptions	113,377	129,706	593,077	666,858	720,590	796,723	881,687	964,004	1,066,523	1,172,632	1,310,675
State Board of Equalization:											
Land	487	547	2,895	3,390	3,905	4,900	5,248	5,894	6,769	6,730	7,256
Improvements	6,546	6,911	30,430	34,896	40,632	44,724	48,716	54,991	57,259	60,925	58,926
Totals	7,033	7,458	33,325	38,286	44,537	49,624	53,964	60,884	64,028	67,655	66,182
Tangible personal property	408	407	2,387	2,546	2,680	2,591	2,760	3,107	3,284	3,477	3,509
Gross tangible property totals	7,441	7,865	35,712	40,833	47,217	52,214	56,724	63,992	67,312	71,131	69,691
Business inventory exemption	51	d	d	d	d	d	d	d	d	d	d
Net tangible property totals	7,390	7,865	35,712	40,833	47,217	52,214	56,724	63,992	67,312	71,131	69,691
Totals all property:											
Land	43,822	52,746	241,381	266,837	286,857	317,556	348,522	373,973	410,619	450,740	510,560
Improvements	74,652	86,341	390,308	439,243	477,966	524,894	575,861	636,487	702,501	768,502	841,813
Totals	118,474	139,087	631,689	706,080	764,823	842,449	924,383	1,010,460	1,113,120	1,219,242	1,352,373
Tangible personal property	17,242	8,837	40,792	46,491	49,341	54,873	63,653	69,622	76,103	82,219	88,902
Gross tangible property totals	135,715	147,924	672,481	752,572	814,164	897,322	988,036	1,080,082	1,189,223	1,301,461	1,441,276
Net tangible property totals: [c]											
Net of 'all other exemptions' [b]	132,821	144,739	657,928	737,112	797,370	878,739	968,620	1,058,687	1,165,057	1,275,516	1,412,512
Net of all exemptions	120,767	137,570	628,789	707,691	767,807	848,937	938,412	1,027,995	1,133,835	1,243,763	1,380,366
Statewide average tax rates (per $100 assessed valuation)	$4.69	$4.63	$1.144	$1.131	$1.126	$1.113	$1.096	$1.083	$1.078	$1.071	—

[a] Excludes assessments of railroad cars for application of the State's private car tax (see Tables 17A and 17B) or assessments of motor vehicles for application of the "vehicle license fee", an ad valorem excise tax administered by the Department of Motor Vehicles and exacted from owners of motor vehicles in lieu of general property tax.

[b] "All other exemptions" include those for veterans, churches, religious properties, colleges, schools below college grade, hospitals, and charitable properties.

[c] Tax rates are set on assessed values which include the homeowners' exemption and exclude "all other exemptions" from the gross. Taxes are actually levied on values "net of all exemptions" and the State reimburses local governments for all of the tax loss attributable to the homeowners' exemption.

[d] Business inventories became totally exempt effective on the 1980–81 property tax rolls and are no longer enrolled.

[e] The ratio of assessed value to taxable value was changed to 100 percent (from 25 percent) beginning with the lien date for 1981–82.

NOTE: Detail may not add to total because of rounding.

PROPERTY TAXES

TABLE 5—ASSESSED VALUE OF STATE- AND COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES, INCLUSIVE OF THE HOMEOWNERS' EXEMPTION BY CLASS OF PROPERTY AND BY COUNTY, 1989–90[a]

County 1	Land 2	Improvements 3	Personal property[b] 4	Exemptions 5	Net total 6	Percent change year to year 7
Alameda	$21,185,237	$35,756,392	$4,007,969	$1,343,473	$59,606,125	10.1
Alpine	61,695	98,107	4,932	366	164,368	4.7
Amador	453,840	959,694	45,560	9,122	1,449,972	4.9
Butte	2,003,482	4,095,160	328,944	167,484	6,260,102	6.9
Calaveras	634,959	1,064,224	94,777	11,864	1,782,097	8.7
Colusa	584,747	507,967	104,091	11,446	1,185,358	6.7
Contra Costa	15,378,896	31,931,457	2,020,426	688,541	48,642,238	10.3
Del Norte	202,108	347,697	38,800	17,521	571,084	6.8
El Dorado	2,022,348	4,380,773	194,110	84,923	6,512,308	10.6
Fresno	7,076,421	14,893,030	1,673,285	535,661	23,107,075	4.8
Glenn	461,010	545,332	118,199	11,138	1,113,403	1.6
Humboldt	1,204,722	2,627,314	305,099	91,915	4,045,219	4.4
Imperial	1,693,665	2,270,362	286,099	33,372	4,216,754	15.5
Inyo	896,278	759,216	47,593	17,960	1,685,127	28.5
Kern	16,742,360	15,387,033	1,404,014	409,537	33,123,871	5.0
Kings	849,722	1,768,515	229,980	58,483	2,789,734	4.7
Lake	1,134,855	1,735,676	83,397	28,600	2,925,328	8.0
Lassen	337,182	607,046	47,845	14,019	978,054	10.7
Los Angeles	152,844,519	223,005,216	24,652,039	8,519,930	391,981,844	11.1
Madera	1,064,521	2,422,570	179,404	31,716	3,634,780	8.5
Marin	5,889,833	10,381,435	456,099	332,981	16,394,386	12.7
Mariposa	289,994	399,015	30,526	5,761	713,775	6.0
Mendocino	1,194,612	1,871,518	164,697	70,067	3,160,760	5.7
Merced	1,762,067	3,455,105	292,269	76,070	5,433,371	5.7
Modoc	272,785	208,376	28,773	2,848	507,086	−0.8
Mono	450,164	862,139	38,267	7,843	1,342,727	4.5
Monterey	5,188,249	9,462,900	705,023	300,135	15,056,037	8.0
Napa	2,094,682	3,789,028	299,233	194,893	5,988,051	10.1
Nevada	1,377,515	2,628,375	102,124	50,489	4,057,525	7.3
Orange	60,878,316	73,843,812	8,991,144	1,755,817	141,957,454	12.8
Placer	3,327,758	6,438,319	481,466	107,069	10,140,474	12.4
Plumas	439,344	1,089,249	36,179	9,195	1,555,577	2.9
Riverside	17,744,340	32,438,990	1,689,388	979,275	50,893,443	16.2
Sacramento	10,542,145	26,614,539	2,050,455	942,153	38,264,986	9.6
San Benito	631,801	896,177	88,376	9,180	1,607,173	13.8
San Bernardino	14,546,382	36,670,092	2,324,835	1,024,105	52,517,204	14.3
San Diego	43,597,885	67,548,488	6,149,141	2,176,649	115,118,866	11.2
San Francisco	15,374,898	30,161,047	2,577,612	1,312,989	46,800,568	8.4
San Joaquin	5,017,026	10,524,633	1,381,567	497,797	16,425,430	7.7
San Luis Obispo	4,422,770	9,233,717	540,068	73,787	14,122,768	8.0
San Mateo	13,941,429	26,064,826	3,744,797	1,123,213	42,627,838	9.6
Santa Barbara	7,341,674	11,333,699	1,103,112	507,838	19,270,646	9.1
Santa Clara	27,135,771	54,022,176	13,252,599	3,007,745	91,402,801	11.1
Santa Cruz	4,262,616	6,263,546	539,155	236,791	10,828,525	10.6
Shasta	1,576,272	4,031,760	315,192	148,046	5,775,177	7.8
Sierra	129,271	151,458	8,631	4,899	284,461	5.4
Siskiyou	621,643	1,031,319	112,360	30,892	1,734,431	4.3
Solano	3,668,667	8,012,258	804,696	164,992	12,320,629	13.1
Sonoma	6,879,642	12,092,483	918,587	308,579	19,582,134	10.8
Stanislaus	3,511,676	8,517,276	670,673	286,354	12,413,271	11.1
Sutter	956,072	1,471,762	154,288	50,945	2,531,178	5.4
Tehama	537,946	1,075,367	91,482	37,633	1,667,161	3.6
Trinity	220,166	293,076	29,385	3,333	539,295	3.1
Tulare	2,414,534	6,323,000	532,659	131,685	9,138,508	5.5
Tuolumne	755,739	1,396,327	134,920	32,002	2,254,984	2.8
Ventura	12,664,606	21,292,871	1,739,975	554,885	35,142,568	12.4
Yolo	1,546,004	3,649,008	326,487	86,829	5,434,670	9.1
Yuba	521,172	1,111,457	129,401	31,065	1,730,964	3.5
Totals	$510,560,034	$841,813,405	$88,902,204	$28,763,899	$1,412,511,744	10.7

[a] The value of the homeowners' exemption, $32,146,177,000 has been included in the valuations by type of property and excluded from exemptions because tax rates are set on assessed values which include it.

[b] Excludes railroad cars operated by private car companies, which were assessed at $371,014,000 and are subject to exclusive state taxation.

NOTE: Detail may not add to total due to rounding.

PROPERTY TAXES

TABLE 6—ASSESSED VALUE OF STATE-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES, BY CLASS OF PROPERTY AND BY COUNTY, 1989–90

(In thousands of dollars)

County 1	Land 2	Improvements 3	Personal property [a] 4	Total 5	Percent change year to year 6
Alameda	$262,901	$2,244,817	$357,372	$2,865,090	2.7
Alpine	3,602	11,610	7	15,219	5.4
Amador	9,073	196,951	4,073	210,097	−3.3
Butte	27,948	532,245	23,062	583,255	−2.2
Calaveras	4,462	106,390	1,260	112,112	−4.4
Colusa	2,844	89,067	905	92,816	−6.9
Contra Costa	251,401	2,305,914	222,051	2,779,366	−0.7
Del Norte	517	28,444	1,237	30,197	14.9
El Dorado	8,615	261,882	2,323	272,820	−6.8
Fresno	120,458	2,383,861	33,382	2,537,701	−6.6
Glenn	4,131	90,869	303	95,303	−8.9
Humboldt	11,827	246,396	3,794	262,017	−6.9
Imperial	25,954	216,539	2,511	245,004	2.5
Inyo	9,656	72,232	1,910	83,798	−12.7
Kern	105,777	1,468,559	18,343	1,592,679	−2.1
Kings	11,900	203,632	2,435	217,968	−2.9
Lake	7,277	236,212	2,234	245,723	−4.4
Lassen	9,144	60,642	2,334	72,120	−22.0
Los Angeles	2,655,784	11,299,916	633,715	14,589,416	0.4
Madera	67,120	333,009	4,045	404,174	−5.3
Marin	54,775	366,454	6,133	427,362	−10.4
Mariposa	10,465	92,948	94	103,507	−0.6
Mendocino	12,543	178,293	3,297	194,134	0.0
Merced	29,032	302,569	6,636	338,237	−9.6
Modoc	4,377	52,875	2,164	59,415	−7.4
Mono	4,745	55,594	75	60,413	−8.0
Monterey	39,210	936,441	34,471	1,010,122	−3.3
Napa	7,671	179,871	3,428	190,970	−2.2
Nevada	24,352	228,983	1,175	254,510	−15.7
Orange	621,984	3,366,459	231,838	4,220,280	0.7
Placer	61,908	645,602	28,640	736,149	−20.1
Plumas	47,631	492,427	4,220	544,278	−0.5
Riverside	122,636	2,131,208	69,733	2,323,577	10.7
Sacramento	124,301	1,312,414	81,986	1,518,701	−4.5
San Benito	6,025	90,996	338	97,359	−2.1
San Bernardino	296,663	3,176,768	194,421	3,667,852	−0.9
San Diego	383,489	6,452,177	657,303	7,492,969	−5.3
San Francisco	332,344	1,979,449	296,547	2,608,341	−3.8
San Joaquin	200,313	818,773	25,216	1,044,302	−7.9
San Luis Obispo	95,094	3,867,865	162,274	4,125,233	−4.3
San Mateo	171,428	901,852	64,058	1,137,337	−6.2
Santa Barbara	159,334	608,505	11,383	779,222	1.3
Santa Clara	292,670	2,063,064	70,358	2,426,091	−1.5
Santa Cruz	15,205	257,916	4,217	277,339	−2.2
Shasta	47,939	835,647	18,784	902,370	−1.1
Sierra	17,581	25,685	308	43,574	−7.2
Siskiyou	22,844	167,574	12,240	202,657	10.3
Solano	37,698	476,839	15,528	530,065	−5.3
Sonoma	31,407	1,103,440	17,544	1,152,391	−0.2
Stanislaus	45,668	378,571	6,319	430,558	−2.7
Sutter	5,892	150,024	1,836	157,753	−5.2
Tehama	7,662	181,622	1,965	191,249	−6.1
Trinity	1,722	44,791	455	46,968	−7.9
Tulare	40,894	590,444	9,080	640,418	−2.4
Tuolumne	5,439	133,028	1,081	139,549	−6.2
Ventura	230,329	1,370,275	123,602	1,724,206	2.0
Yolo	30,486	251,634	13,609	295,729	−1.2
Yuba	12,070	267,701	9,020	288,791	−4.1
Totals	$7,256,217	$58,925,966	$3,508,672	$69,690,854	−2.0

[a] Excludes railroad cars operated by private car companies, which were assessed at $371,014,000 and are subject to exclusive state taxation.

NOTE: Detail may not add to total due to rounding.

PROPERTY TAXES

TABLE 7—ASSESSED VALUE OF COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES, INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY CLASS OF PROPERTY AND BY COUNTY, 1989–90 [a]

(In thousands of dollars)

County 1	Land 2	Improvements 3	Personal property 4	Exemptions 5	Net total 6	Percent change year to year 7
Alameda	$20,922,335	$33,511,574	$3,650,598	$1,343,473	$56,741,034	10.5
Alpine	58,093	86,497	4,925	366	149,150	4.6
Amador	444,766	762,743	41,487	9,122	1,239,875	6.5
Butte	1,975,534	3,562,915	305,882	167,484	5,676,848	8.0
Calaveras	630,496	957,835	93,517	11,864	1,669,985	9.7
Colusa	581,903	418,900	103,186	11,446	1,092,543	8.1
Contra Costa	15,127,495	29,625,543	1,798,375	688,541	45,862,872	11.0
Del Norte	201,591	319,254	37,563	17,521	540,887	6.4
El Dorado	2,013,733	4,118,891	191,787	84,923	6,239,488	11.5
Fresno	6,955,963	12,509,169	1,639,903	535,661	20,569,374	6.4
Glenn	456,879	454,463	117,896	11,138	1,018,100	2.7
Humboldt	1,192,895	2,380,918	301,305	91,915	3,783,203	5.3
Imperial	1,667,711	2,053,824	283,588	33,372	3,971,750	16.4
Inyo	886,622	686,984	45,683	17,960	1,601,330	31.8
Kern	16,636,584	13,918,474	1,385,671	409,537	31,531,192	5.4
Kings	837,821	1,564,883	227,546	58,483	2,571,767	5.4
Lake	1,127,578	1,499,465	81,163	28,600	2,679,605	9.3
Lassen	328,038	546,404	45,511	14,019	905,934	14.5
Los Angeles	150,188,735	211,705,300	24,018,324	8,519,930	377,392,428	11.5
Madera	997,402	2,089,561	175,359	31,716	3,230,606	10.5
Marin	5,835,058	10,014,981	449,966	332,981	15,967,024	13.5
Mariposa	279,528	306,067	30,432	5,761	610,267	7.2
Mendocino	1,182,069	1,693,224	161,400	70,067	2,966,626	6.1
Merced	1,733,034	3,152,536	285,633	76,070	5,095,133	6.9
Modoc	268,408	155,502	26,609	2,848	447,671	0.2
Mono	445,419	806,545	38,193	7,843	1,282,313	5.2
Monterey	5,149,040	8,526,459	670,552	300,135	14,045,915	9.0
Napa	2,087,011	3,609,158	295,805	194,893	5,797,081	10.6
Nevada	1,353,163	2,399,392	100,950	50,489	3,803,015	9.3
Orange	60,256,332	70,477,353	8,759,306	1,755,817	137,737,173	13.3
Placer	3,265,850	5,792,717	452,826	107,069	9,404,324	16.1
Plumas	391,713	596,821	31,959	9,195	1,011,299	4.8
Riverside	17,621,704	30,307,782	1,619,655	979,275	48,569,866	16.5
Sacramento	10,417,843	25,302,125	1,968,469	942,153	36,746,285	10.3
San Benito	625,776	805,180	88,038	9,180	1,509,814	15.0
San Bernardino	14,249,720	33,493,324	2,130,414	1,024,105	48,849,352	15.6
San Diego	43,214,396	61,096,311	5,491,838	2,176,649	107,625,897	12.5
San Francisco	15,042,554	28,181,598	2,281,065	1,312,989	44,192,227	9.3
San Joaquin	4,816,714	9,705,860	1,356,351	497,797	15,381,128	8.9
San Luis Obispo	4,327,677	5,365,852	377,794	73,787	9,997,536	14.1
San Mateo	13,770,001	25,162,974	3,680,739	1,123,213	41,490,501	10.1
Santa Barbara	7,182,341	10,725,194	1,091,728	507,838	18,491,424	9.5
Santa Clara	26,843,101	51,959,113	13,182,242	3,007,745	88,976,710	11.5
Santa Cruz	4,247,411	6,005,629	534,937	236,791	10,551,186	10.9
Shasta	1,528,333	3,196,112	296,407	148,046	4,872,806	9.7
Sierra	111,690	125,773	8,323	4,899	240,887	8.0
Siskiyou	598,799	863,745	100,121	30,892	1,531,773	3.6
Solano	3,630,968	7,535,419	789,168	164,992	11,790,563	14.1
Sonoma	6,848,235	10,989,042	901,044	308,579	18,429,742	11.5
Stanislaus	3,466,008	8,138,705	664,354	286,354	11,982,713	11.6
Sutter	950,180	1,321,738	152,452	50,945	2,373,425	6.1
Tehama	530,284	893,745	89,516	37,633	1,475,912	5.0
Trinity	218,445	248,285	28,930	3,333	492,327	4.3
Tulare	2,373,640	5,732,556	523,579	131,685	8,498,090	6.2
Tuolumne	750,300	1,263,299	133,839	32,002	2,115,436	3.4
Ventura	12,434,277	19,922,597	1,616,373	554,885	33,418,362	13.0
Yolo	1,515,518	3,397,374	312,878	86,829	5,138,941	9.8
Yuba	509,101	843,755	120,381	31,065	1,442,173	5.2
Totals	$503,303,817	$782,887,439	$85,393,533	$28,763,899	$1,342,820,890	11.5

[a] The value of the homeowners' exemption, $32,146,177,000 has been included in the valuations by type of property and excluded from exemptions because tax rates are set on assessed values which include it.

NOTE: Detail may not add to total due to rounding.

PROPERTY TAXES

TABLE 8—NUMBER OF VETERANS' EXEMPTIONS AND EXEMPT VALUE OF VETERANS', COLLEGE, CHURCH, RELIGIOUS, AND WELFARE EXEMPTIONS, 1989–90

(Assessed values in thousands of dollars)

County	Number of Veterans' exemptions [a]	Exempt value			
		Veterans' [a]	College	Church	Religious
1	2	3	4	5	6
Alameda	254	$13,756	$87,156	$15,281	$169,689
Alpine	1	65	—	—	59
Amador	17	1,087	—	63	3,492
Butte [b]	116	6,312	—	249	54,558
Calaveras	22	1,181	—	—	7,287
Colusa	10	177	—	3,607	—
Contra Costa	211	13,096	49,741	2,650	182,650
Del Norte [b]	21	597	—	43	5,527
El Dorado	88	6,058	—	296	20,563
Fresno [b]	200	8,951	19,989	41,110	104,729
Glenn	14	431	—	—	7,833
Humboldt [b]	53	2,532	—	2,998	18,087
Imperial	40	888	—	342	22,629
Inyo	11	298	4,352	1,837	4,961
Kern	161	3,761	—	148,257	—
Kings	28	1,014	—	4,788	15,756
Lake	69	2,395	—	136	9,936
Lassen	35	693	—	—	6,663
Los Angeles [b]	1,293	60,429	1,378,662	45,284	1,454,532
Madera	69	2,177	—	13,202	—
Marin	76	5,181	44,419	18,110	27,089
Mariposa	22	1,112	—	257	3,300
Mendocino [b]	30	1,550	772	1,140	9,685
Merced [b]	127	5,747	—	5,380	35,546
Modoc	11	167	—	8	1,435
Mono [b]	1	65	—	611	2,410
Monterey	275	15,384	5,022	9,771	47,561
Napa [b]	44	2,666	30,964	6,322	22,762
Nevada [b]	67	4,360	—	268	13,830
Orange [b]	566	35,682	103,075	23,100	382,128
Placer	87	5,466	—	2,904	31,441
Plumas [b]	15	866	—	959	5,015
Riverside [b]	457	26,721	34,140	3,401	164,286
Sacramento [b]	559	29,868	29,568	80,787	145,547
San Benito [b]	7	573	—	233	5,593
San Bernardino [b]	539	24,967	93,257	68,191	149,682
San Diego	1,354	82,344	138,985	40,045	332,094
San Francisco	96	5,039	124,462	43,762	129,594
San Joaquin	124	6,346	105,098	3,609	109,073
San Luis Obispo	79	4,834	—	6,487	39,788
San Mateo	155	10,105	310,682	10,969	109,854
Santa Barbara	145	9,253	24,906	3,363	80,558
Santa Clara	307	18,661	1,795,700	85,281	207,280
Santa Cruz [b]	67	[illegible]	6,374	8,216	—
Shasta [b]	94	[illegible]	1,375	612	41,845
Sierra	5	[illegible]	—	—	1,201
Siskiyou	56	[illegible]	—	—	10,620
Solano [b]	340	[illegible]	—	10,113	32,645
Sonoma [b]	176	[illegible]	—	5,214	53,605
Stanislaus	91	[illegible]	—	12,319	108,490
Sutter [b]	36	[illegible]	13	18,469	160
Tehama [b]	36	1,487	—	15	11,215
Trinity	5	150	—	77	2,370
Tulare [b]	77	2,960	—	847	72,923
Tuolumne [b]	43	1,406	4	1,877	10,501
Ventura	190	12,153	46,911	26,708	115,443
Yolo [b]	44	2,333	—	482	22,761
Yuba [b]	49	1,957	—	—	12,518
Totals	9,165	$491,996	$4,435,626	$780,051	$4,640,799

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[a] Disabled veterans included in these figures numbered 8,299 with an exempt value of $489,202,000. Comparable figures for 1988–89 were 8,161 and $462,414,000.

[b] An additional exemption enacted by the Legislature in 1975, Section 155.20 of the Revenue and Taxation Code, permits counties [illegible] exempt property having low full value. The statute allows the exemption where the tax proceeds are less than the costs of administration, up to a full value of less than $2,000. Nine counties adopted ordinances and exempted the following amounts on the 1989 rolls: Fresno, $622,000; Humboldt, $440,000; Mendocino, $250,000; Santa Cruz, $2,017,000; Shasta, $271,000; Sonoma, $4,018,000; Sutter, $780,000; Tehama, $478,000; and Yuba, $616,000. An additional 17 counties: Butte, Del Norte, Los Angeles, Merced, Mono, Napa, Nevada, Orange, Plumas, Riverside, Sacramento, San Benito, San Bernardino, Solano, Tulare, Tuolumne and Yolo have adopted ordinances and exempt low value properties by assigning them a taxable value of zero.

PROPERTY TAXES

TABLE 8—NUMBER OF VETERANS' EXEMPTIONS AND EXEMPT VALUE OF VETERANS', COLLEGE, CHURCH, RELIGIOUS, AND WELFARE EXEMPTIONS, 1989–90—Concluded

(Assessed values in thousands of dollars)

	Exempt value				
	Welfare				
County	Schools below college grade	Hospitals	Other charitable properties [c]	Total [d]	Total exempt value as percent of tax base [e]
7	8	9	10	11	12
Alameda	—	$437,502	$620,089	$1,343,473	2.3
Alpine	—	—	242	366	.2
Amador	—	—	4,480	9,122	.6
Butte	—	84,242	22,124	167,484	2.7
Calaveras	—	—	2,722	11,191	.6
Colusa	242	7,422	—	11,448	1.0
Contra Costa	40,056	270,352	129,924	688,469	1.4
Del Norte	381	6,578	4,394	17,521	3.1
El Dorado	183	26,691	31,132	84,923	1.3
Fresno	15,639	212,740	131,881	535,661	2.3
Glenn	—	—	2,874	11,138	1.0
Humboldt	8,016	26,433	33,269	91,775	2.3
Imperial	3,590	—	6,275	33,725	.8
Inyo	1,287	—	5,224	17,960	1.1
Kern	15,089	194,368	42,284	403,759	1.2
Kings	3,547	24,223	9,155	58,483	2.1
Lake	177	8,776	7,180	28,600	1.0
Lassen	—	—	6,765	14,121	1.4
Los Angeles	314,919	2,564,623	2,701,483	8,519,930	2.2
Madera	435	7,556	3,149	26,519	.7
Marin	40,906	78,949	124,027	338,680	2.1
Mariposa	129	—	770	5,568	.8
Mendocino	4,386	25,655	27,383	70,891	2.2
Merced	2,670	17,514	9,212	76,070	1.4
Modoc	1,238	—	—	2,848	.6
Mono	—	4,505	238	7,828	.6
Monterey	18,820	59,413	144,164	300,135	2.0
Napa	12,042	94,290	25,846	194,893	3.3
Nevada	1,778	20,308	9,944	50,489	1.2
Orange	88,409	602,330	521,096	1,755,820	1.2
Placer	2,777	25,467	39,014	107,069	1.1
Plumas	—	—	2,354	9,195	.6
Riverside	11,330	415,531	323,866	979,275	1.9
Sacramento	34,389	511,830	167,090	999,080	2.6
San Benito	1,433	—	1,348	9,180	.6
San Bernardino	9,405	412,163	266,396	1,024,062	1.9
San Diego	81,642	473,758	1,027,771	2,176,639	1.9
San Francisco	5,596	389,250	618,073	1,315,776	2.8
San Joaquin	11,327	183,984	78,360	497,797	3.0
San Luis Obispo	8,325	—	14,352	73,787	.5
San Mateo	61,268	282,353	337,998	1,123,229	2.6
Santa Barbara	34,399	145,045	210,322	507,846	2.6
Santa Clara	92,334	369,448	439,041	3,007,745	3.3
Santa Cruz	2,292	78,703	135,268	236,791	2.2
Shasta	3,594	64,410	30,947	147,980	2.6
Sierra	—	2,753	839	4,875	1.7
Siskiyou	—	12,257	6,952	30,890	1.8
Solano	10,140	67,382	26,248	164,747	1.3
Sonoma	16,676	92,396	125,228	308,414	1.6
Stanislaus	12,906	40,694	90,348	269,725	2.2
Sutter	4,099	22,654	2,551	50,945	2.0
Tehama	1,604	16,034	6,791	37,625	2.3
Trinity	372	—	357	3,326	.6
Tulare	2,073	6,375	46,694	131,872	1.4
Tuolumne	1,175	11,045	5,994	32,002	1.4
Ventura	27,877	151,807	174,009	554,908	1.6
Yolo	5,023	25,604	29,896	86,100	1.6
Yuba	—	—	15,974	31,065	1.8
Totals	$1,015,997	$8,575,415	$8,851,407	$28,800,763	2.0

[c] General welfare agencies, youth service agencies and religious properties other than churches.

[d] Includes all enrolled exemptions except those arising from the homeowners' exemption law.

[e] The tax base includes the values of the homeowners' exemptions but excludes all other exemptions. Tax base is given in column 6 of Table 5.

PROPERTY TAXES

TABLE 9—GROSS ASSESSED VALUE OF STATE- AND COUNTY-ASSESSED PROPERTY, NUMBER OF HOMEOWNERS' EXEMPTIONS, EXEMPT VALUE BY TYPE OF EXEMPTION, AND NET ASSESSED VALUE SUBJECT TO GENERAL PROPERTY TAXES, 1989–90 [a]

(Assessed values in thousands of dollars)

County	Gross assessed value	Number of homeowners' exemptions	Exempt value			Taxable assessed value (net of all exemptions)
			Homeowners'	All other	Total	
1	2	3	4	5	6	7
Alameda	$60,949,598	222,996	$1,560,121	$1,343,473	$2,903,593	$58,046,004
Alpine	164,734	179	1,252	366	1,618	163,117
Amador	1,459,094	5,909	41,240	9,122	50,361	1,408,732
Butte	6,427,586	36,479	254,794	167,484	422,278	6,005,308
Calaveras	1,793,960	7,380	51,657	11,864	63,521	1,730,439
Colusa	1,196,805	3,039	21,192	11,446	32,638	1,164,166
Contra Costa	49,330,779	178,786	1,251,480	688,541	1,940,022	47,390,757
Del Norte	588,605	3,789	26,223	17,521	43,744	544,861
El Dorado	6,597,231	25,852	180,584	84,923	265,506	6,331,724
Fresno	23,642,736	96,402	674,165	535,661	1,209,826	22,432,910
Glenn	1,124,542	4,616	32,207	11,138	43,346	1,081,196
Humboldt	4,137,135	22,763	159,334	91,915	251,250	3,885,885
Imperial	4,250,126	14,532	100,688	33,372	134,059	4,116,067
Inyo	1,703,087	3,256	22,528	17,960	40,487	1,662,600
Kern	33,533,407	82,251	574,700	409,537	984,237	32,549,170
Kings	2,848,217	13,049	90,780	58,483	149,263	2,698,954
Lake	2,953,928	11,606	81,008	28,600	109,608	2,844,321
Lassen	992,074	4,859	33,771	14,019	47,791	944,283
Los Angeles	400,501,774	1,124,670	7,865,963	8,519,930	16,385,893	384,115,881
Madera	3,666,496	13,690	95,440	31,716	127,156	3,539,340
Marin	16,727,367	51,394	359,186	332,981	692,168	16,035,200
Mariposa	719,535	3,163	21,010	5,761	26,771	692,765
Mendocino	3,230,827	14,691	102,824	70,067	172,891	3,057,936
Merced	5,509,440	24,456	170,998	76,070	247,067	5,262,373
Modoc	509,935	2,373	16,081	2,848	18,930	491,005
Mono	1,350,570	1,374	9,544	7,843	17,387	1,333,183
Monterey	15,356,172	46,458	325,186	300,135	625,321	14,730,851
Napa	6,182,944	20,711	144,931	194,893	339,823	5,843,120
Nevada	4,108,014	17,466	122,113	50,489	172,602	3,935,412
Orange	143,713,271	398,679	2,782,134	1,755,817	4,537,951	139,175,320
Placer	10,247,543	36,732	256,881	107,069	363,950	9,883,593
Plumas	1,564,772	4,749	33,057	9,195	42,252	1,522,520
Riverside	51,872,718	173,216	1,211,364	979,275	2,190,640	49,682,079
Sacramento	39,207,139	190,712	1,333,501	942,153	2,275,654	36,931,486
San Benito	1,616,353	5,613	39,288	9,180	48,469	1,567,885
San Bernardino	53,541,309	209,849	1,464,036	1,024,105	2,488,141	51,053,169
San Diego	117,295,515	376,137	2,632,201	2,176,649	4,808,850	112,486,665
San Francisco	48,113,557	96,220	673,206	1,312,989	1,986,195	46,127,362
San Joaquin	16,923,227	75,346	527,225	497,797	1,025,021	15,898,205
San Luis Obispo	14,196,555	36,672	256,244	73,787	330,031	13,866,524
San Mateo	43,751,052	132,712	928,871	1,123,213	2,052,084	41,698,968
Santa Barbara	19,778,485	55,826	390,736	507,838	898,575	18,879,910
Santa Clara	94,410,546	258,503	1,809,469	3,007,745	4,817,215	89,593,332
Santa Cruz	11,065,316	35,856	250,974	236,791	487,765	10,577,552
Shasta	5,923,223	28,533	199,711	148,046	347,757	5,575,466
Sierra	289,360	821	5,731	4,899	10,629	278,731
Siskiyou	1,765,322	10,250	71,483	30,892	102,374	1,662,948
Solano	12,485,621	53,608	375,086	164,992	540,078	11,945,543
Sonoma	19,890,712	72,223	505,519	308,579	814,098	19,076,614
Stanislaus	12,699,625	61,629	431,351	286,354	717,705	11,981,920
Sutter	2,582,123	11,094	77,647	50,945	128,592	2,453,530
Tehama	1,704,794	10,735	74,734	37,633	112,367	1,592,427
Trinity	542,628	2,945	20,552	3,333	23,885	518,743
Tulare	9,270,193	47,941	334,669	131,685	466,353	8,803,839
Tuolumne	2,286,986	9,767	68,011	32,002	100,012	2,186,974
Ventura	35,697,452	112,727	789,083	554,885	1,343,967	34,353,485
Yolo	5,521,500	21,923	152,707	86,829	239,536	5,281,964
Yuba	1,762,029	8,562	59,709	31,065	90,773	1,671,256
Totals	$1,441,275,643	4,597,769	$32,146,177	$28,763,899	$60,910,076	$1,380,365,567

[a] Business inventory exemptions, formerly shown in this table, are no longer available because inventories became totally exempt effective on the 1980–81 property tax rolls and are not enrolled.

NOTE: Detail may not add to total due to rounding.

PROPERTY TAXES

TABLE 10—NET [a] STATE- AND COUNTY-ASSESSED VALUE OF PROPERTY SUBJECT TO GENERAL PROPERTY TAXES ON THE SECURED AND UNSECURED ROLLS, BY COUNTY, 1989–90

(In thousands of dollars)

County	Secured valuations			Unsecured valuations (local only) [b]	Total assessed value
	State-assessed	Locally assessed	Total		
1	2	3	4	5	6
Alameda	$2,865,090	$51,834,959	$54,700,049	$4,906,076	$59,606,125
Alpine	15,219	125,259	140,477	23,891	164,368
Amador	210,097	1,183,054	1,393,151	56,821	1,449,972
Butte	583,255	5,389,224	5,972,478	287,624	6,260,102
Calaveras	112,112	1,617,747	1,729,859	52,237	1,782,097
Colusa	92,816	1,025,421	1,118,236	67,122	1,185,358
Contra Costa	2,779,366	43,777,496	46,556,862	2,085,376	48,642,238
Del Norte	30,197	509,759	539,956	31,128	571,084
El Dorado	272,820	6,040,280	6,313,100	199,208	6,512,308
Fresno	2,537,701	19,181,599	21,719,301	1,387,774	23,107,075
Glenn	95,303	967,406	1,062,710	50,694	1,113,403
Humboldt	262,017	3,459,590	3,721,606	323,613	4,045,219
Imperial	245,004	3,212,515	3,457,519	759,235	4,216,754
Inyo	83,798	1,570,034	1,653,832	31,296	1,685,127
Kern	1,592,679	29,403,221	30,995,899	2,127,971	33,123,871
Kings	217,968	2,440,259	2,658,227	131,508	2,789,734
Lake	245,723	2,186,771	2,432,494	492,834	2,925,328
Lassen	72,120	793,530	865,650	112,404	978,054
Los Angeles	14,589,416	351,510,868	366,100,283	25,881,560	391,981,844
Madera	404,174	3,086,025	3,490,199	144,581	3,634,780
Marin	427,362	15,141,938	15,569,300	825,087	16,394,386
Mariposa	103,507	550,202	653,710	60,065	713,775
Mendocino	194,134	2,806,166	3,000,299	160,461	3,160,760
Merced	338,237	4,829,041	5,167,279	266,092	5,433,371
Modoc	59,415	429,366	488,781	18,305	507,086
Mono	60,413	1,150,133	1,210,547	132,180	1,342,727
Monterey	1,010,122	13,241,887	14,252,009	804,028	15,056,037
Napa	190,970	5,578,281	5,769,251	218,800	5,988,051
Nevada	254,510	3,666,877	3,921,387	136,138	4,057,525
Orange	4,220,280	126,263,965	130,484,246	11,473,208	141,957,454
Placer	736,149	9,004,262	9,740,411	400,062	10,140,474
Plumas	544,278	963,373	1,507,652	47,926	1,555,577
Riverside	2,323,577	46,437,466	48,761,043	2,132,400	50,893,443
Sacramento	1,518,701	34,054,143	35,572,844	2,692,142	38,264,986
San Benito	97,359	1,445,198	1,542,557	64,616	1,607,173
San Bernardino	3,667,852	45,918,887	49,586,739	2,930,465	52,517,204
San Diego	7,492,969	102,279,951	109,772,920	5,345,946	115,118,866
San Francisco	2,608,341	39,612,575	42,220,916	4,579,652	46,800,568
San Joaquin	1,044,302	14,201,879	15,246,181	1,179,249	16,425,430
San Luis Obispo	4,125,233	9,627,751	13,752,983	369,785	14,122,768
San Mateo	1,137,337	36,807,969	37,945,306	4,682,532	42,627,838
Santa Barbara	779,222	17,111,951	17,891,173	1,379,473	19,270,646
Santa Clara	2,426,091	77,197,884	79,623,975	11,778,826	91,402,801
Santa Cruz	277,339	10,097,566	10,374,904	453,621	10,828,525
Shasta	902,370	4,542,506	5,444,877	330,300	5,775,177
Sierra	43,574	198,237	241,811	42,650	284,461
Siskiyou	202,657	1,368,805	1,571,462	162,969	1,734,431
Solano	530,065	11,265,109	11,795,174	525,455	12,320,629
Sonoma	1,152,391	17,650,321	18,802,712	779,422	19,582,134
Stanislaus	430,558	11,188,865	11,619,423	793,848	12,413,271
Sutter	157,753	2,226,583	2,384,336	146,842	2,531,178
Tehama	191,249	1,416,901	1,608,150	59,011	1,667,161
Trinity	46,968	448,840	495,808	43,488	539,295
Tulare	640,418	8,068,315	8,708,733	429,775	9,138,508
Tuolumne	139,549	2,016,063	2,155,612	99,372	2,254,984
Ventura	1,724,206	31,423,657	33,147,863	1,994,705	35,142,568
Yolo	295,729	4,778,445	5,074,174	360,497	5,434,670
Yuba	288,791	1,310,304	1,599,095	131,869	1,730,964
Totals	$69,690,854	$1,245,636,677	$1,315,327,531	$97,184,213	$1,412,511,744

[a] Includes the value of the homeowners' exemption but excludes "all other" exemptions.

[b] All state-assessed property is on the secured roll.

NOTE: Detail may not add to total due to rounding.

PROPERTY TAXES

TABLE 11—ASSESSED VALUE [a] OF COUNTY-ASSESSED [b] PROPERTY SUBJECT TO GENERAL PROPERTY TAXES INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY INCORPORATED CITIES, 1989–90

(In thousands of dollars)

City	Locally Assessed value	City	Locally Assessed value	City	Locally Assessed value
1	2	1	2	1	2
Adelanto	382,941	Carson	5,483,992	Escondido	4,229,265
Agoura Hills	1,656,506	Cathedral City	1,200,161	Etna	15,305
Alameda	3,028,696	Ceres	604,197	Eureka	763,121
Albany	566,854	Cerritos	2,862,328	Exeter	152,539
Alhambra	2,515,144	Chico	1,321,207	Fairfax	328,118
Alturas	62,985	Chino	2,080,862	Fairfield	2,700,776
Amador	6,977	Chowchilla	146,792	Farmersville	66,453
Anaheim	13,316,637	Chula Vista	4,225,397	Ferndale	34,628
Anderson	164,201	Claremont	1,251,980	Fillmore	260,410
Angels	69,961	Clayton	431,043	Firebaugh	51,282
Antioch	2,138,349	Clearlake	319,893	Folsom	1,395,047
Apple Valley	1,383,883	Cloverdale	126,263	Fontana	2,472,558
Arcadia	2,971,815	Clovis	1,401,600	Fort Bragg	227,035
Arcata	359,049	Coachella	238,260	Fort Jones	15,855
Arroyo Grande	623,627	Coalinga	146,658	Fortuna	232,194
Artesia	472,269	Colfax	39,194	Foster City	2,195,955
Arvin	91,240	Colma	167,501	Fountain Valley	2,646,742
Atascadero	876,253	Colton	1,040,718	Fowler	67,768
Atherton	1,052,210	Colusa	109,611	Fremont	9,964,625
Atwater	352,396	Commerce	1,870,426	Fresno	9,578,166
Auburn	462,862	Compton	1,689,019	Fullerton	5,839,311
Avalon	215,393	Concord	5,247,327	Galt	190,532
Avenal	70,681	Corcoran	134,770	Gardena	1,844,358
Azusa	1,168,662	Corning	125,556	Garden Grove	4,867,929
Bakersfield	6,186,880	Corona	3,258,996	Gilroy	1,274,233
Baldwin Park	1,285,787	Coronado	1,485,318	Glendale	8,093,060
Banning	467,816	Corte Madera	737,486	Glendora	1,756,015
Barstow	468,435	Costa Mesa	6,072,817	Gonzales	149,141
Beaumont	263,315	Cotati	212,074	Grand Terrace	322,545
Bell	533,752	Covina	1,650,701	Grass Valley	320,096
Bellflower	1,523,262	Crescent City	111,934	Greenfield	101,110
Bell Gardens	513,373	Cudahy	253,090	Gridley	92,755
Belmont	1,371,817	Culver City	2,883,195	Grover City	373,214
Belvedere	352,335	Cupertino	3,954,623	Guadalupe	72,031
Benicia	1,559,896	Cypress	2,029,364	Gustine	111,034
Berkeley	3,724,394	Daly City	2,774,803	Half Moon Bay	563,721
Beverly Hills	7,313,422	Dana Point	2,613,189	Hanford	714,953
Big Bear Lake	865,391	Danville	2,378,572	Hawaiian Gardens	261,287
Biggs	24,236	Davis	1,408,762	Hawthorne	2,822,364
Bishop	164,343	Delano	297,978	Hayward	4,984,224
Blue Lake	41,272	Del Mar	528,930	Healdsburg	415,220
Blythe	156,797	Del Rey Oaks	73,078	Hemet	1,158,520
Bradbury	95,549	Desert Hot Springs	343,362	Hercules	843,259
Brawley	292,156	Dinuba	205,515	Hermosa Beach	1,230,124
Brea	2,808,133	Dixon	300,372	Hesperia	1,310,972
Brentwood	254,809	Dorris	12,063	Hidden Hills	283,898
Brisbane	479,179	Dos Palos	58,780	Highland	704,491
Buena Park	3,017,673	Downey	3,275,238	Hillsborough	1,705,975
Burbank	5,936,851	Duarte	675,596	Hollister	596,232
Burlingame	2,402,974	Dublin	1,207,983	Holtville	70,963
Calexico	258,439	Dunsmuir	38,384	Hughson	34,244
California City	194,343	East Palo Alto	363,704	Huntington Beach	10,061,440
Calipatria	25,516	El Cajon	2,862,768	Huntington Park	928,094
Calistoga	181,983	El Centro	587,508	Huron	38,141
Camarillo	3,038,433	El Cerrito	893,718	Imperial	72,642
Campbell	1,878,988	El Monte	2,236,564	Imperial Beach	484,453
Capitola	532,041	El Segundo	5,143,667	Indian Wells	1,335,870
Carlsbad	5,135,934	Emeryville	939,671	Indio	946,253
Carmel	661,726	Encinitas	3,133,545	Industry	2,474,246
Carpinteria	590,052	Escalon	134,808	Inglewood	2,781,916

PROPERTY TAXES

TABLE 11—ASSESSED VALUE [a] OF COUNTY-ASSESSED [b] PROPERTY SUBJECT TO GENERAL PROPERTY TAXES INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY INCORPORATED CITIES, 1989–90—Continued

(In thousands of dollars)

City	Locally Assessed value	City	Locally Assessed Value	City	Locally Assessed value
1	2	1	2	1	2
Ione	45,985	Mill Valley	1,029,111	Placerville	301,901
Irvine	12,760,767	Milpitas	3,809,020	Pleasant Hill	1,694,266
Irwindale	773,930	Mission Viejo	4,573,774	Pleasanton	3,880,184
Isleton	15,705	Modesto	4,957,187	Plymouth	19,648
Jackson	137,563	Monrovia	1,335,698	Point Arena	11,650
Kerman	105,143	Montague	24,537	Pomona	3,460,585
King City	267,966	Montclair	964,485	Porterville	630,104
Kingsburg	164,749	Montebello	1,844,043	Port Hueneme	593,803
La Canada-Flintridge	1,409,114	Monterey	1,794,487	Portola	46,988
Lafayette	1,608,732	Monterey Park	2,231,538	Portola Valley	528,607
Laguna Beach	2,342,377	Monte Sereno	315,446	Poway	2,084,711
La Habra	1,925,607	Moorpark	1,351,835	Rancho Cucamonga	4,865,083
La Habra Heights	417,163	Moraga	1,041,293	Rancho Mirage	2,084,715
Lake Elsinore	656,318	Moreno Valley	3,706,732	Rancho Palos Verdes	3,252,135
Lakeport	180,044	Morgan Hill	1,278,817	Red Bluff	290,254
Lakewood	2,656,906	Morro Bay	501,440	Redding	2,160,870
La Mesa	1,831,128	Mountain View	5,063,654	Redlands	1,999,977
La Mirada	1,718,676	Mount Shasta	110,600	Redondo Beach	4,232,436
Lancaster	2,900,922	Napa	2,233,279	Redwood City	3,902,963
La Palma	739,262	National City	1,100,330	Reedley	298,338
La Puente	622,595	Needles	108,570	Rialto	1,740,644
La Quinta	990,106	Nevada City	146,960	Richmond	4,465,061
Larkspur	838,377	Newark	1,813,049	Ridgecrest	730,205
La Verne	1,126,355	Newman	92,391	Rio Dell	44,517
Lawndale	815,017	Newport Beach	9,896,326	Rio Vista	106,666
Lemon Grove	573,136	Norco	670,182	Ripon	272,598
Lemoore	307,082	Norwalk	2,122,639	Riverbank	206,711
Lincoln	209,861	Novato	2,404,892	Riverside	7,422,581
Lindsay	169,573	Oakdale	426,389	Rocklin	819,471
Live Oak	50,900	Oakland	12,735,867	Rohnert Park	1,411,560
Livermore	2,651,320	Oceanside	4,859,550	Rolling Hills	369,990
Livingston	118,366	Ojai	391,972	Rolling Hills Estates	903,295
Lodi	1,836,248	Ontario	5,545,212	Rosemead	1,223,244
Loma Linda	565,842	Orange	6,224,998	Roseville	2,262,995
Lomita	698,295	Orange Cove	53,186	Ross	276,384
Lompoc	865,036	Orinda	1,334,709	Sacramento	12,842,309
Long Beach	17,504,113	Orland	120,429	St. Helena	371,878
Loomis	201,963	Oroville	350,791	Salinas	2,834,757
Los Alamitos	666,555	Oxnard	4,494,304	San Anselmo	635,225
Los Altos	2,086,011	Pacifica	1,323,152	San Bernardino	4,173,568
Los Altos Hills	943,087	Pacific Grove	731,642	San Bruno	1,719,797
Los Angeles	150,248,707	Palmdale	2,543,114	San Carlos	1,983,994
Los Banos	320,693	Palm Desert	2,759,193	San Clemente	2,845,084
Los Gatos	2,111,328	Palm Springs	3,511,909	Sand City	52,684
Loyalton	14,477	Palo Alto	5,870,916	San Diego	51,514,109
Lynwood	898,097	Palos Verdes Estates	1,603,910	San Dimas	1,488,011
Madera	525,101	Paradise	709,195	San Fernando	540,390
Mammoth Lakes	838,281	Paramount	1,169,550	San Francisco	44,192,227
Manhattan Beach	3,170,965	Parlier	57,159	San Gabriel	1,147,781
Manteca	1,091,803	Pasadena	6,550,981	Sanger	291,673
Maricopa	15,373	Paso Robles	685,921	San Jacinto	376,955
Marina	432,666	Patterson	198,166	San Joaquin	19,077
Martinez	1,561,477	Perris	601,530	San Jose	35,834,497
Marysville	351,452	Petaluma	1,846,340	San Juan Bautista	43,532
Maywood	315,949	Pico Rivera	1,868,550	San Juan Capistrano	1,751,199
McFarland	62,603	Piedmont	824,549	San Leandro	3,627,922
Mendota	104,176	Pinole	676,475	San Luis Obispo	1,816,404
Menlo Park	2,639,879	Pismo Beach	606,318	San Marcos	1,703,042
Merced	1,362,824	Pittsburg	1,306,413	San Marino	1,257,476
Millbrae	1,137,088	Placentia	1,745,762	San Mateo	5,271,149

TABLE 11—ASSESSED VALUE [a] OF COUNTY-ASSESSED [b] PROPERTY SUBJECT TO GENERAL PROPERTY TAXES INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY INCORPORATED CITIES, 1989–90—Concluded

(In thousands of dollars)

City	Locally Assessed value	City	Locally Assessed value	City	Locally Assessed value
1	2	1	2	1	2
San Pablo	543,141	South Pasadena	1,081,681	Villa Park	471,000
San Rafael	3,414,231	South San Francisco	3,694,863	Visalia	2,304,775
San Ramon	3,307,228	Stanton	925,500	Vista	2,633,416
Santa Ana	9,734,688	Stockton	5,789,047	Walnut	1,395,716
Santa Barbara	4,778,068	Suisun	559,504	Walnut Creek	4,932,684
Santa Clara	8,538,653	Sunnyvale	9,186,116	Wasco	151,799
Santa Clarita	4,998,437	Susanville	173,868	Waterford	73,801
Santa Cruz	2,209,241	Sutter Creek	72,923	Watsonville	1,003,038
Santa Fe Springs	2,481,341	Taft	149,546	Weed	55,773
Santa Maria	2,007,639	Tehachapi	135,800	West Covina	3,034,356
Santa Monica	6,774,883	Tehama	8,109	West Hollywood	2,514,239
Santa Paula	604,972	Temple City	975,926	Westlake Village	1,018,552
Santa Rosa	5,377,236	Thousand Oaks	6,698,460	Westminster	2,661,412
Santee	1,510,502	Tiburon	853,151	Westmorland	14,559
Saratoga	2,359,101	Torrance	9,230,089	West Sacramento	1,193,913
Sausalito	866,903	Tracy	1,121,959	Wheatland	28,877
Scotts Valley	745,818	Trinidad	22,400	Whittier	2,699,113
Seal Beach	1,526,892	Tulare	779,103	Williams	47,101
Seaside	531,073	Tulelake	14,695	Willits	142,660
Sebastopol	296,996	Turlock	1,196,493	Willows	117,117
Selma	269,478	Tustin	2,782,292	Winters	103,302
Shafter	107,782	Twenty-nine Palms	289,543	Woodlake	62,344
Sierra Madre	470,462	Ukiah	393,405	Woodland	1,402,307
Signal Hill	722,383	Union City	2,095,913	Woodside	768,951
Simi Valley	4,612,568	Upland	2,606,254	Yorba Linda	3,122,498
Solana Beach	1,060,103	Vacaville	2,251,275	Yountville	88,886
Soledad	96,473	Vallejo	3,021,118	Yreka	234,057
Solvang	360,420	Ventura	4,418,016	Yuba City	747,817
Sonoma	435,768	Vernon	1,758,554		
Sonora	154,076	Victorville	1,302,566	Grand totals	$1,047,950,189
South El Monte	646,402				
Southgate	1,796,611				
South Lake Tahoe	1,455,589				

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[a] These values are net of "all other exemptions" (see Table 8) but include the values of the homeowners' exemption because tax rates for the support of city governments are set on assessed valuations which include them and local governments are reimbursed by the State for them.

[b] In previous reports, the total state-assessed value for each city was also shown in this table. Effective on the 1988–89 property tax rolls, the bulk of state-assessed values are allocated on a countywide basis only.

NOTE: Detail may not add to total due to rounding.

PROPERTY TAXES

TABLE 12A—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION, BY TYPE OF COMPANY, 1989–90

(In thousands of dollars)

Type of company	Assessed value
1	2
UNDER PROVISIONS OF SECTION 751 OF THE REVENUE AND TAXATION CODE	
Telephone and telegraph	
Local Exchange Carriers	$25,226,046
Interexchange Carriers	2,945,199
Cellular Carriers	1,701,170
Radio-Telephone Carriers	172,615
Subtotal	$30,045,030
Gas and electric	35,821,279
Intercounty pipelines, flumes, canals, ditches and aqueducts	1,493,476
Car	13,753
Railroad	2,317,317
Total	$69,690,855
UNDER PRIVATE CAR TAX LAW	
Private cars	371,014
Grand total	$70,061,869

TABLE 12B—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO LOCAL TAXATION, BY COMPANY, 1989–90

(In thousands of dollars)

Name of company	Assessed value
1	2
TELEPHONE AND TELEGRAPH COMPANIES	
American Satellite Company	$54,225
American Telephone and Telegraph Interstate Division	879,142
A.T. & T. Communications of California, Incorporated	821,824
Bay Area Cellular Telephone Company	166,515
Citizens Utilities Company of California	179,419
Citizens Utilities Company of California (Water)	31,828
Com Systems, Incorporated	50,954
Continental Telephone Company of California	570,290
Fresno MSA Limited Partnership	28,089
GTE California, Incorporated	5,705,661
GTE Mobilnet of San Francisco Limited Partnership	128,018
GTEL	75,375
G.E. American Communications, Incorporated	38,118
Los Angeles Cellular Telephone Company	483,821
Los Angeles SMSA, Limited, dba PacTel Cellular	514,153
MCI Telecommunications Corporation	344,288
Metromedia Telecommunications, Incorporated	27,256
Pacific Bell	18,417,581
PacTel Cellular—San Diego	62,175
PacTel Paging, Incorporated, of California	42,534
Ponderosa Telephone Company	27,118
Roseville Telephone Company	115,366
Sacramento Valley Limited Partnerhsip, dba PacTel Cellular	33,554
Sierra Telephone Company, Incorporated	41,073
U.S. Sprint Communications Company	393,404
U.S. West Cellular of California, Incorporated	95,179
Western States Microwave Transmission Company	22,310
Western Telecommunications, Incorporated	20,493
Western Union Corporation	101,913
Williams Telecommunications Company	22,000
181 companies with an assessed value of less than $20,000,000 each	551,353
Total for telephone and telegraph companies [a]	$30,045,031

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[a] Includes 22 local exchange carriers, 79 interexchange carriers, 47 cellular carriers, and 63 radio-telephone carriers.

PROPERTY TAXES

TABLE 12B—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO LOCAL TAXATION, BY COMPANY, 1989–90—Continued

(In thousands of dollars)

Name of company 1	Assessed value 2
GAS AND ELECTRIC COMPANIES	
Anza Electric Cooperative, Incorporated	$11,202
C.P. National Corporation	38,149
Pacific Gas and Electric Company	17,773,375
Pacific Power and Light	125,377
Plumas-Sierra Rural Electric Cooperative	14,313
San Diego Gas and Electric Company	3,322,972
Sierra Pacific Power Company	75,102
Southern California Edison Company	11,017,036
Southern California Gas Company	3,172,216
Southern California Water Company	191,370
Southwest Gas Corporation	69,001
Surprise Valley Electrification Corporation	11,102
Valley Electric Association, Incorporated	64
Total for gas and electric companies	$35,821,279
INTERCOUNTY PIPE LINES, FLUMES, CANALS, DITCHES, AND AQUEDUCTS [b]	
All American Pipeline Company	$325,346
Calnev Pipe Line Company	70,112
Casitas Pipeline Company	2,805
Celeron Gathering Corporation	21,504
Chevron U.S.A., Incorporated	129,569
City of Riverside	5,713
Cuyama Pipeline Company	2,200
Exxon Company, U.S.A.—Division of Exxon Corporation	1,485
Four Corners Pipe Line Company	100,095
Golden West Refining Company	16,660
Great Western Pipeline Company, Incorporated	11,500
Homestake Mining Company of California	13,000
Kerr-McGee Chemical Corporation	2,250
Kings County Canal Company	1,226
Mobil Oil Corporation, dba West Coast Pipelines	81,424
Powerine Oil Company	3,105
Riverside Highland Water Company	365
San Luis Canal Company	2,400
Santa Fe Pacific Pipeline Partners, a Limited Partnership	312,564
Shell California Pipeline Company	13,509
Shell Oil Company	58,012
Shell Western Exploration and Production, Incorporated	24,000
Standard Gas Company	2,450
Standard Pacific Gas Line, Incorporated	15,000
Standard Pipe Line Company	8,300
Texaco Trading & Transportation, Incorporated	125,0[illegible]
Tosco Corporation	1,4[illegible]
Union Oil Company of California, dba Unocal Corporation	135,558
Ventura Pipeline System	5,000
West Riverside Canal Company	1,700
2 companies with an assessed value of less than $200,000 each	210
Total for intercounty pipe lines, etc.	$1,493,476

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[b] All other taxable property owned by these companies is locally assessed.

PROPERTY TAXES

TABLE 12B—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO LOCAL TAXATION, BY COMPANY, 1989–90—Concluded

(In thousands of dollars)

Name of company 1	Assessed value 2
CAR COMPANIES [c]	
ACF Industries, Incorporated, Shippers' Car Line Division	$2
General American Transportation Corporation	2,688
Trailer Train Company	10,994
Union Tank Car Company	68
Total for car companies	$13,753
RAILROAD COMPANIES	
Alameda Belt Line	$7,488
Almanor Railroad Company	136
Amador Central Railroad Company	3,170
Atchison, Topeka and Santa Fe Railway Company, (The)	451,903
Burlington Northern Railroad	3,961
Central California Traction Company	3,327
Eureka Southern Railroad Company, Incorporated	2,391
Lake County, Oregon	272
Los Angeles Junction Railway Corporation	15,111
McCloud River Railroad Company	20,536
Mendocino Coast Railway, Incorporated, dba California Western Railroad	1,159
Modesto and Empire Traction Company	16,810
Napa Valley Railroad, dba Napa Valley Wine Train	8,023
Northwestern Pacific Railroad Company	51,212
Oakland Terminal Railway (The)	595
Parr Terminal Railroad	272
Port Railroads, Incorporated	50
Quincy Railroad Company	340
San Diego and Arizona Eastern Railway Company	750
San Diego and Imperial Valley Railroad Company	2,480
Santa Cruz, Big Trees and Pacific Railway Company	598
Santa Maria Valley Railroad Company	3,002
Sierra Railroad Company	1,210
Southern Pacific Transportation Company	1,360,257
Stockton Terminal and Eastern Railroad	−7,857
Sunset Railway Company	1,487
Trona Railway Company	17,115
Union Pacific Corporation	324,395
Ventura County Railway Company	7,790
Visalia Electric Railroad Company	2,512
Yreka Western Railroad Company	1,108
Total for railroad companies	$2,317,317

[c] Property at fixed locations which is not subject to the private car tax. Excludes the value of private cars operated on the railroads, for which see Table 17A.

TABLE 13—Discontinued.

In previous reports this table presented data on assessment ratios, "Collier factors" and coefficients of dispersion.

PROPERTY TAXES

TABLE 14—1988–89 GENERAL PROPERTY TAX LEVIES AS COMPILED FOR COMPUTATION OF THE AVERAGE TAX RATE

(Levies and assessed values in thousands of dollars)

County	Net taxable[a] assessed value	Property tax allocations and levies[b]					Average tax rate	
		City	County[c]	School[c]	Other district[d]	Total	1988–89	1987–88
1	2	3	4	5	6	7	8	9
Alameda	$52,541,085	$139,484	$184,930	$139,010	$136,021	$599,445	1.141%	1.156%
Alpine	155,601	—	1,101	331	188	1,620	1.041	1.051
Amador	1,342,457	597	6,115	6,639	345	13,696	1.020	1.027
Butte	5,591,997	4,380	13,055	32,632	8,288	58,355	1.044	1.038
Calaveras	1,588,467	101	4,758	9,589	2,607	17,055	1.074	1.076
Colusa	1,082,666	525	4,095	5,735	922	11,277	1.042	1.051
Contra Costa	42,895,637	50,287	116,545	151,073	144,837	462,742	1.079	1.090
Del Norte	509,051	100	1,614	2,727	784	5,225	1.026	1.031
El Dorado	5,721,238	3,808	19,619	23,385	13,353	60,165	1.052	1.055
Fresno	21,389,420	33,153	68,826	95,361	30,398	227,738	1.065	1.064
Glenn	1,061,993	834	3,636	6,096	594	11,160	1.051	1.048
Humboldt	3,697,814	1,921	13,632	17,168	5,785	38,506	1.041	1.046
Imperial	3,529,703	3,748	12,326	18,074	2,846	36,994	1.048	1.050
Inyo	1,291,249	259	4,893	6,893	1,126	13,171	1.020	1.022
Kern	30,472,408	18,771	127,670	140,449	39,607	326,497	1.071	1.070
Kings	2,575,863	2,147	12,244	9,679	2,731	26,801	1.040	1.034
Lake	2,626,713	870	9,641	11,929	4,564	27,004	1.028	1.029
Lassen	850,608	385	2,582	5,217	693	8,877	1.044	1.044
Los Angeles	344,942,983	690,793	1,535,379	790,210	664,176	3,680,558	1.067	1.074
Madera	3,254,203	1,386	10,518	20,850	2,388	35,142	1.080	1.083
Marin	14,352,728	19,363	42,598	61,204	23,902	147,067	1.025	1.029
Mariposa	679,575	—	2,258	4,128	409	6,795	1.000	1.000
Mendocino	2,881,071	985	12,008	15,864	2,596	31,453	1.092	1.091
Merced	4,958,066	4,434	20,088	21,721	5,268	51,511	1.039	1.043
Modoc	495,137	185	1,859	2,780	307	5,131	1.036	1.034
Mono	1,276,095	450	5,099	4,778	3,502	13,829	1.084	1.050
Monterey	13,640,055	13,794	37,642	67,104	20,388	138,928	1.019	1.025
Napa	5,293,880	6,131	17,901	27,813	3,256	55,101	1.041	1.045
Nevada	3,656,641	1,260	10,759	18,589	7,294	37,902	1.037	1.032
Orange	123,029,666	163,814	245,638	642,132	283,010	1,334,594	1.065	1.100
Placer	8,782,430	6,230	26,934	44,092	13,954	91,210	1.039	1.057
Plumas	1,478,342	116	4,164	9,195	1,911	15,386	1.041	1.010
Riverside	42,667,351	35,136	120,133	172,029	146,812	474,110	1.111	1.112
Sacramento	33,403,583	41,437	131,843	103,768	75,323	352,371	1.055	1.070
San Benito	1,375,031	641	3,133	7,801	3,498	15,073	1.096	1.105
San Bernardino	44,515,120	46,875	129,880	147,631	159,818	484,204	1.088	1.095
San Diego	100,551,022	164,021	257,662	525,271	103,933	1,050,887	1.045	1.055
San Francisco	42,483,109	—	391,628	39,900	31,966	463,494	1.091	1.101
San Joaquin	14,710,235	21,398	60,055	48,853	21,201	151,507	1.030	1.036
San Luis Obispo	12,830,070	10,226	45,463	73,522	7,814	137,025	1.068	1.066
San Mateo	37,968,882	52,624	97,532	191,759	46,435	388,350	1.023	1.022
Santa Barbara	17,210,549	10,753	52,799	82,945	29,047	175,544	1.020	1.029
Santa Clara	80,476,232	99,567	230,138	413,877	141,898	885,480	1.100	1.107
Santa Cruz	9,544,999	7,417	26,139	49,181	15,055	97,792	1.025	1.036
Shasta	5,171,547	3,974	14,407	31,355	5,304	55,040	1.064	1.066
Sierra	263,578	22	1,669	662	287	2,640	1.002	1.003
Siskiyou	1,592,144	1,284	5,635	8,586	836	16,341	1.026	1.011
Solano	10,481,978	21,281	36,462	31,086	26,323	115,152	1.099	1.120
Sonoma	17,174,539	16,038	60,239	85,090	19,831	181,198	1.055	1.064
Stanislaus	10,742,520	9,895	28,398	73,845	5,670	117,808	1.097	1.028
Sutter	2,337,426	2,149	8,016	11,550	2,298	24,013	1.027	1.031
Tehama	1,534,628	1,080	5,938	8,193	639	15,850	1.033	1.048
Trinity	499,064	—	1,928	2,904	301	5,133	1.029	1.032
Tulare	8,276,233	6,779	35,413	35,731	7,257	85,180	1.029	1.029
Tuolumne	2,128,307	278	8,704	11,624	1,528	22,134	1.040	1.032
Ventura	30,483,150	25,678	93,650	126,232	85,920	331,480	1.087	1.087
Yolo	4,814,252	12,846	13,070	20,563	4,904	51,383	1.067	1.087
Yuba	1,613,971	925	6,761	7,811	1,918	17,415	1.079	1.085
Totals	$1,242,494,362	$1,762,635	$4,446,822	$4,724,216	$2,373,866	$13,307,539	1.071%	1.078%

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[a] These are the assessed values on which general property taxes were actually levied in 1988–89. Excluded are exemptions totaling $57,698,448,000 as follows: homeowners', $31,753,571,000; and all other, $25,944,877,000.

[b] The county levies at a rate of 1 percent of assessed value have been allocated among the jurisdictions receiving a portion of those levies. Excluded are the State reimbursements to local governments of $340,806,000 for the homeowners' exemption described in footnote a. Reimbursements for the exemption of business inventories were eliminated beginning with the 1984–85 year.

[c] County levies for school purposes such as junior college tuition and countywide school levies are included with school levies.

[d] Includes debt levies on land and/or improvements only. Also includes the portion of the 1 percent levy allocated to jurisdictions previously taxing less than total property.

PROPERTY TAXES

TABLE 15—1988–89 GENERAL PROPERTY TAX DOLLAR [a], BY COUNTY

County	Property tax dollars				
	City	County [b]	School purpose [b]	Other districts	Total
1	2	3	4	5	6
Alameda	$.23	$.31	$.23	$.23	$1.00
Alpine	—	.68	.20	.12	1.00
Amador	.04	.45	.48	.03	1.00
Butte	.08	.22	.56	.14	1.00
Calaveras	.01	.28	.56	.15	1.00
Colusa	.05	.36	.51	.08	1.00
Contra Costa	.11	.25	.33	.31	1.00
Del Norte	.02	.31	.52	.15	1.00
El Dorado	.06	.33	.39	.22	1.00
Fresno	.15	.30	.42	.13	1.00
Glenn	.07	.33	.55	.05	1.00
Humboldt	.05	.35	.45	.15	1.00
Imperial	.10	.33	.49	.08	1.00
Inyo	.02	.37	.52	.09	1.00
Kern	.06	.39	.43	.12	1.00
Kings	.08	.46	.36	.10	1.00
Lake	.03	.36	.44	.17	1.00
Lassen	.04	.29	.59	.08	1.00
Los Angeles	.19	.42	.21	.18	1.00
Madera	.04	.30	.59	.07	1.00
Marin	.13	.29	.42	.16	1.00
Mariposa	—	.33	.61	.06	1.00
Mendocino	.03	.38	.51	.08	1.00
Merced	.09	.39	.42	.10	1.00
Modoc	.04	.36	.54	.06	1.00
Mono	.03	.37	.35	.25	1.00
Monterey	.10	.27	.48	.15	1.00
Napa	.11	.33	.50	.06	1.00
Nevada	.03	.29	.49	.19	1.00
Orange	.12	.19	.48	.21	1.00
Placer	.07	.30	.48	.15	1.00
Plumas	.01	.27	.60	.12	1.00
Riverside	.08	.25	.36	.31	1.00
Sacramento	.12	.37	.30	.21	1.00
San Benito	.04	.21	.52	.23	1.00
San Bernardino	.10	.27	.30	.33	1.00
San Diego	.16	.24	.50	.10	1.00
San Francisco	—	.84	.09	.07	1.00
San Joaquin	.14	.40	.32	.14	1.00
San Luis Obispo	.07	.33	.54	.06	1.00
San Mateo	.14	.25	.49	.12	1.00
Santa Barbara	.06	.30	.47	.17	1.00
Santa Clara	.11	.26	.47	.16	1.00
Santa Cruz	.08	.27	.50	.15	1.00
Shasta	.07	.26	.57	.10	1.00
Sierra	.01	.63	.25	.11	1.00
Siskiyou	.08	.34	.53	.05	1.00
Solano	.18	.32	.27	.23	1.00
Sonoma	.09	.33	.47	.11	1.00
Stanislaus	.08	.24	.63	.05	1.00
Sutter	.09	.33	.48	.10	1.00
Tehama	.07	.37	.52	.04	1.00
Trinity	—	.37	.57	.06	1.00
Tulare	.08	.42	.42	.08	1.00
Tuolumne	.01	.39	.53	.07	1.00
Ventura	.08	.28	.38	.26	1.00
Yolo	.25	.25	.40	.10	1.00
Yuba	.05	.39	.45	.11	1.00
Average	$.13	$.33	$.36	$.18	$1.00

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[a] Includes special assessments levied on limited categories of property to finance activities from which such properties derived special benefits.

[b] County levies for school purposes such as junior college tuition and countywide school levies are included with school levies.

PROPERTY TAXES

TABLE 16A—TIMBER YIELD TAX AND TIMBER RESERVE FUND TAX STATISTICS, 1977 TO 1988

Calendar year	Market value of timber harvest (in millions)	Timber yield tax		Timber reserve fund	
		Rate [a]	Net revenue (in thousands)	Rate [a]	Net revenue (in thousands)
1	2	3	4	5	6
1988	$669.2	2.9%	$20,014	—	—
1987	577.2	2.9	16,828	—	—
1986	451.8	2.9	14,009	—	—
1985	396.5	2.9	12,155	—	—
1984	425.0	2.9	13,144	—	—
1983	400.5	2.9	12,045	— [b]	$81
1982	296.1	2.9	9,004	5.2%	15,361
1981	493.1	3.0	14,970	1.7	8,179
1980	565.8	3.0	16,945	0.0	13
1979	742.7	3.0	22,481	0.0	18
1978	682.1	6.0	41,342	0.5	3,439
1977	389.0 [c]	6.0	23,822 [c]	0.5	1,985 [c]

[a] In effect for the year. The rate is set annually in December.

[b] A sunset provision terminated the reserve fund tax at the end of 1982.

[c] This tax became effective April 1, 1977. The timber yield tax replaced the ad valorem property tax on standing timber. The reserve rate assured that the timber tax fund would be sufficient to meet the revenue guarantees of the participating counties.

TABLE 16B—TIMBER PRODUCTION [a] STATISTICS, BY COUNTY, 1988

County	Net volume [b] (in millions of board feet)	Market value [c] (in thousands)
1	2	3
Alpine	9.6	$334
Amador	31.6	3,496
Butte	146.4	23,109
Calaveras	99.3	11,818
Del Norte	191.9	42,496
El Dorado	217.4	22,415
Fresno	81.3	6,106
Glenn	29.2	4,661
Humboldt	742.7	139,916
Kern	19.0	1,253
Lake	42.3	4,106
Lassen	124.5	25,456
Madera	62.1	6,633
Mariposa	86.2	9,373
Mendocino	474.5	58,609
Modoc	47.9	9,664
Mono	7.0	918
Napa	1.8	187
Nevada	72.2	8,961

County	Net volume [b] (in millions of board feet)	Market value [c] (in thousands)
1	2	3
Placer	120.2	18,042
Plumas	215.2	36,247
San Bernardino	1.4	124
San Mateo	14.6	2,071
Santa Clara	2.3	367
Santa Cruz	15.2	2,041
Shasta	267.1	40,200
Sierra	205.3	19,904
Siskiyou	584.4	74,438
Sonoma	37.9	4,776
Tehama	159.8	27,327
Trinity	319.8	43,356
Tulare	36.5	3,019
Tuolumne	135.0	12,645
Yuba	17.5	2,762
Other [d]	6.5	2,325
TOTAL	4,625.8	$669,155

[a] Data are from harvest reports prepared by taxpayers for payment of the Timber Yield Tax and are subject to audit corrections and delinquent filing.

[b] Board feet is the quantity of timber cut and scaled. Miscellaneous products including all hardwoods, Christmas trees, fuelwood, poles and piling, and split products are generally not measured in net board feet.

[c] Value of the timber immediately before cutting.

[d] Includes timber harvested in Alameda, Colusa, Contra Costa, Los Angeles, Marin, Merced, Monterey, Orange, Riverside, Sacramento, San Benito, San Diego, San Joaquin, San Luis Obispo, Santa Barbara, Solano, Stanislaus, Ventura, and Yolo counties.

PROPERTY TAXES

TABLE 17A—ASSESSED VALUE [a] OF PRIVATE CARS ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO EXCLUSIVE STATE TAXATION, BY COMPANY, 1989–90

Name of company 1	Assessed value [a] (in thousands) 2	Amount of tax 3
PRIVATE CARS		
ACF Industries, Inc.	$29,137	$309,725
ADM Transportation Company	10,499	111,607
Allied Signal, Inc.	1,303	13,853
American President Intermodal	5,075	53,944
Amoco Chemicals Corporation	988	10,502
Amoco Oil Company	466	4,955
ASARCO, Inc.	482	5,119
BOC Group, Inc. (The)	548	5,823
Borg-Warner Chemicals, Inc.	1,725	18,332
California Railcar Corporation	689	7,321
Calrail Company	411	4,367
Cargill, Inc.	1,106	11,754
Celtran, Inc., A Subsidiary of Hoechst Celanese Corporation	1,124	11,953
CGTX, Inc.	601	6,390
Chevron USA, Inc.	8,526	90,631
Chicago Freight Car Leasing Company	2,191	23,291
Columbian Chemicals Company	506	5,375
CONOCO, Inc.	924	9,820
Crystal Car Line, Inc.	953	10,133
Dow Chemical Company (The)	7,894	83,910
E. I. duPont de Nemours & Company	2,051	21,801
Elders Grain, Inc.	1,222	12,989
Exxon Corporation, formerly Exxon Chemical Americas	2,308	24,534
Exxon Corporation, formerly Exxon Company USA	3,168	33,672
Farmland Industries, Inc.	792	8,417
Formosa Plastics Corporation, USA	614	6,525
Foster Poultry Farms, Inc.	403	4,279
Fruit Growers Express Company	5,989	63,665
General American Transportation Corporation	44,517	473,219
General Electric Railcar Services Corporation	22,097	234,887
Georgia Gulf Corporation	552	5,868
GLNX Corporation	2,418	25,700
B.F. Goodrich Company	932	9,903
Granite Rock Company	2,084	22,152
Greenbrier Leasing Corporation	496	5,272
Itel Rail Corporation	2,349	24,972
Kaiser Cement Corporation	774	8,227
Kerr-McGee Chemical Corporation	1,456	15,481
MHC, Inc.	783	8,320
Mobil Oil Corporation	2,657	28,249
Monsanto Company	926	9,844
Occidental Chemical Corporation	1,435	15,253
Petrolane Gas Service, Limited Partnership	513	5,454
Phillips Petroleum Company	2,310	24,556
PLM International, Inc.	797	8,472
Procor, Limited	1,121	11,915
Pullman Leasing Company	10,082	107,167
Quantum Chemicals Corporation, USI Division	1,278	13,585
Rail Box Company	6,937	73,739
RAILGON Company	490	5,213
Railtex, Inc.	1,981	21,062
Shell Oil Company	4,359	46,336
Soltex Polymer Corporation	1,255	13,338
A. E. Staley Manufacturing Company	427	4,537
Tennessee Eastman Company, Division of Eastman Kodak Company	1,463	15,550
Trailer Train Company	101,186	1,075,608
Transportation Corporation of America	669	7,116
Trinity Industries Leasing Company	5,720	60,809
Union Carbide Corporation	4,315	45,866
Union Tank Car Company	32,349	343,869
United States Rail Services, Inc.	3,546	37,690
Vulcan Materials Company, Chemicals Division	456	4,843
207 other companies with an assessed value under $400,000 each	14,589	155,115
Totals for private cars	$371,014	$3,943,874

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[a] 1989–90 assessed values were set at 68 percent of market value.

PROPERTY TAXES

TABLE 17B—PRIVATE CAR TAX ASSESSMENTS, TAX RATES, AND TAX LEVIES, 1938–40 TO 1989–90

Fiscal year 1	Average number of cars 2	Assessed value [a] (000 omitted) 3	Average assessed value per car [a] 4	Tax rate per $100 assessed value [b] 5	Amount of tax [c] (000 omitted) 6
1989–90	22,190	$371,014 [f]	$16,720 [f]	1.063	$3,944
1988–89	21,178	328,270 [f]	15,501 [f]	1.069	3,509
1987–88	19,521	410,765	21,042	1.074	4,412
1986–87	20,990	439,754	20,951	1.086	4,776
1985–86	21,159	407,506	19,259	1.102	4,491
1984–85	21,526	515,750	23,959	1.115	5,751
1983–84	22,596	554,614	24,545	1.119	6,206
1982–83	18,688	581,697	31,127	1.13	6,573
1981–82	16,142	528,235	32,724	1.14	6,022
1980–81	16,143	109,696	6,795	4.62	5,068
1979–80	14,514	90,701	6,249	4.70	4,263
1978–79	17,483	87,393	4,999	4.85	4,239
1977–78	18,388	78,154	4,213	11.19	8,754
1976–77	18,962	78,660	4,148	11.33	8,915
1975–76	18,003	75,652	4,202	11.24	8,505
1974–75	18,648	71,251	3,801	11.15	7,946
1973–74	17,111	64,101	3,681	11.44	7,334
1972–73	15,157	50,255	3,316	11.43	5,701
1971–72	14,977	44,196	2,951	10.85	4,552
1970–71	15,091	41,766	2,768	9.93	4,148
1969–70	15,088	39,809	2,638	9.39	3,739
1968–69	14,756	43,421	2,943	8.90	3,865
1967–68	14,559	37,627	2,584	7.79	2,931
1966–67	13,872	32,986	2,378	7.51	2,477
1965–66	14,436	30,243	2,095	7.29	2,205
1964–65	14,534	28,855	1,985	6.99	2,017
1963–64	14,562	26,679	1,832	6.92	1,846
1962–63	15,639	26,506	1,695	6.82	1,808
1961–62	16,182	26,807	1,657	6.54	1,753
1960–61	16,055	25,894	1,613	6.44	1,668
1959–60	15,953	25,848	1,620	6.24	1,613
1958–59	16,867	30,573	1,813	5.60	1,712
1957–58	17,108	29,826	1,743	5.33	1,590
1956–57	17,168	27,435	1,598	5.19	1,424
1955–56	17,644	26,136	1,481	5.09	1,330
1954–55	17,993	26,534	1,475	4.90	1,301
1953–54	17,092	25,378	1,485	4.81	1,222
1952–53	16,051	23,524	1,466	4.79	1,127
1951–52	16,511	21,974	1,331	4.95	1,089
1950–51	17,068	19,186	1,124	4.64	891
1945–50	16,382	17,426 [d]	1,064	3.99	3,510
1940–45	13,259	12,630 [d]	953	3.63	2,286
1938–40	13,734	11,579 [d]	843	3.66	848 [e]

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[a] Includes materials and supplies held, stored, or used in the State for the purpose of repairing, improving, servicing, or operating the cars. Escape assessments for prior years are not included in the computation of the average assessed value per car.

[b] Based on the statewide average tax rate for the preceding year. The ratio of assessed value to taxable value was changed to 100 percent (from 25 percent) beginning with the lien date for 1981–82 and the tax rate was adjusted downward proportionately.

[c] Includes interest, penalties and escape assessments from prior years.

[d] Average total assessed value for the period.

[e] The private car tax was first imposed in 1938. Prior to 1938 private cars were subject to local taxation and were assessed in the same manner as utility property.

[f] Assessed values for 1988–89 and 1989–90 were set at 68 percent of market value.

SALES AND USE TAXES

TABLE 18—STATE SALES AND USE TAX COLLECTIONS AND NUMBER OF PERMITS, 1933–35 TO 1988–89
(Collections in thousands of dollars)

Fiscal year	Collections [a]			Number of outstanding permits [c]
	Taxes	Fees [b]	Total	
1	2	3	4	5
1988–89	$12,647,397	$1,750	$12,649,147	874,129
1987–88	11,662,040	1,931	11,663,971	866,266
1986–87	10,901,096	875	10,901,971	843,526
1985–86	10,317,990	574	10,318,564	815,783
1984–85	9,797,612	501	9,798,113	784,248
1983–84	8,797,924	498	8,798,422	764,366
1982–83	7,795,554	475	7,796,029	763,685
1981–82	7,689,139	448	7,689,587	724,352
1980–81	7,131,482	409	7,131,891	673,876
1979–80	6,658,425	365	6,658,790	658,822
1978–79	5,810,484	310	5,810,794	634,758
1977–78	5,028,658	308	5,028,966	598,477
1976–77	4,311,426	272	4,311,698	571,659
1975–76	3,737,838	252	3,738,090	536,545
1974–75	3,372,966	231	3,373,197	510,232
1973–74	2,673,570 [d]	205	2,673,775 [d]	484,655
1972–73	2,197,083 [e]	193	2,197,276 [e]	472,457
1971–72	1,991,992	193	1,992,185	452,033
1970–71	1,796,956	186	1,797,142	437,731
1969–70	1,751,658	171	1,751,829	420,766
1968–69	1,634,612	156	1,634,768	412,563
1967–68	1,389,943 [f]	145	1,390,088 [f]	399,100
1966–67	1,053,251	138	1,053,389	395,321
1965–66	1,096,165 [g]	145	1,096,310 [g]	389,115
1964–65	939,651	146	939,797	377,746
1963–64	876,946	128	877,074	369,261
1962–63	813,313	120	813,433	360,976
1961–62	749,375	117	749,492	353,520
1960–61	710,931	119	711,050	351,727
1959–60	709,749	118	709,867	342,322
1958–59	631,409	115	631,524	333,998
1957–58	605,208	102	605,310	326,124
1956–57	599,789	102	599,891	320,486
1955–56 [h]	564,348	103	564,451	310,780
1954–55	492,879	108	492,987	305,537
1953–54	464,969	107	465,076	298,108
1952–53	460,196	98	460,294	289,620
1951–52	417,326	95	417,421	285,659
1950–51	398,261	101	398,362	285,598
1945–50	1,316,653 [i]	615	1,317,268 [i]	270,231
1940–45	665,100 [j]	303	665,403 [j]	179,067
1935–40	426,422 [k]	518 [l]	426,940 [k]	186,473 [m]
1933–35	89,661 [n]	282	89,943 [n]	185,748

[a] Collections include taxes, fees, interest, and penalties less refunds. Tax collections in one quarter are based mainly on taxable transactions during the preceding quarter. Transfers from the Motor Vehicle Fuel Fund of sales taxes on gasoline subject to refund of fuel tax are included.

[b] The $1 fee for issuance of a seller's permit was eliminated effective July 1, 1966, and the reinstatement fee for a revoked permit was set at $15. Prior to that date, a $25 fee was required for reinstatement of a permit revoked for the third time within any two-year period.

[c] As of December 31 for each fiscal year.

[d] Effective July 1, 1973, the state tax rate was increased from 3¾ percent to 4¾ percent. On October 1, 1973 the tax rate was reduced to 3¾ percent for six months. Effective April 1, 1974, the tax rate was again increased to 4¾ percent.

[e] Effective July 1, 1972, the state tax rate was decreased from 4 percent to 3¾ percent.

[f] Effective August 1, 1967, the state rate was increased from 3 percent to 4 percent.

[g] Includes almost $100 million resulting from legislation effective August 1, 1965, requiring some 24,000 taxpayers with monthly taxable sales of $17,000 or more to prepay their quarterly sales and use tax.

[h] The Board began to administer the Bradley-Burns Local Sales and Use Tax Law effective April 1, 1956, at a rate of 1 percent. The law provided for local option and thus it was not adopted by all cities and counties until January 1, 1962. See Table 23 for details.

[i] Effective July 1, 1949, the tax rate was increased from 2½ percent to 3 percent.

[j] Effective July 1, 1943, the tax rate was reduced from 3 percent to 2½ percent and substantial additions were made to the list of exempt transactions.

[k] Effective July 1, 1935, the tax rate was increased from 2½ percent to 3 percent; sales of food for home consumption, except when served as meals, were exempted; and a 3 percent use tax was imposed.

[l] All outstanding licenses expired on July 31, 1935, and were reissued only after payment of a fee of $1 if renewed on or before July 31st and $1.50 if renewed thereafter.

[m] Effective July 1, 1939, all persons selling tangible personal property of a kind whose retail sale is subject to tax were required to secure a permit for each of their outlets, whether or not they engaged in the business of making retail sales. Prior to this time, only retailers were required to secure payments.

[n] The state sales tax was first imposed August 1, 1933 at a rate of 2½ percent.

SALES AND USE TAXES

TABLE 19—STATE SALES AND USE TAX STATISTICS, BY TYPE OF BUSINESS, 1988–89

Type of business	Taxable transactions [a]			State sales tax (in thousands)	Number of permits on June 30, 1989 [b]
	Amount (in thousands)	Percent of total	Percent change from year to year		
1	2	3	4	5	6
Retail Stores					
Women's apparel	$2,855,557	1.10%	2.3%	$135,639	11,068
Men's apparel	1,197,099	.46	7.9	56,862	2,869
Family apparel	3,434,078	1.32	49.4	163,119	7,641
Shoes	1,839,319	.71	10.7	87,368	4,820
Apparel stores group	9,326,053	3.58	18.7	442,988	26,398
Limited-price variety	688,007	.26	.9	32,680	885
Department and dry goods	21,413,107	8.22	3.3	1,017,123	3,326
Drug stores	4,454,547	1.71	7.6	211,591	4,519
Other general merchandise	1,369,255	.53	42.5	65,040	2,028
General merchandise stores	27,924,916	10.73	5.4	1,326,434	10,758
Gifts, art goods, and novelties	1,172,160	.45	9.2	55,678	8,910
Sporting goods	2,047,531	.79	12.2	97,258	5,458
Florists	634,236	.24	8.3	30,126	4,697
Photographic equipment and supplies	504,654	.19	9.6	23,971	1,087
Musical instruments	1,466,351	.56	1.9	69,652	2,935
Stationery and books	2,584,252	.99	8.7	122,752	7,106
Jewelry	1,476,000	.57	12.7	70,110	6,770
Office, store, and school supplies	5,075,136	1.95	11.1	241,069	7,005
Other specialties	6,256,921	2.40	13.5	297,204	43,185
Specialty stores group	21,217,241	8.15	10.8	1,007,819	87,153
Food stores selling all types of liquors [c]	9,337,745	3.59	4.1	443,543	4,547
All other food stores [c]	4,088,091	1.57	10.4	194,184	18,782
Packaged liquor stores	2,004,807	.77	−2.6	95,228	5,481
Eating places: no alcoholic beverages	8,683,202	3.34	6.7	412,452	32,773
Eating places: beer and wine	5,268,042	2.02	7.5	250,232	20,244
Eating and drinking: all types of liquor	7,502,714	2.88	5.8	356,379	11,056
Eating and drinking group	21,453,958	8.24	6.5	10,019,063	64,073
Household and home furnishings	5,273,958	2.03	10.7	250,513	17,798
Household appliance dealers	3,478,601	1.34	8.5	165,234	4,266
Second-hand merchandise	311,931	.12	11.9	14,817	3,976
Farm implement dealers	1,682,744	.65	15.6	79,930	1,201
Farm and garden supply stores	1,425,856	.55	10.9	67,728	3,575
Fuel and ice dealers	311,041	.12	10.9	14,774	798
Lumber and building materials	9,161,555	3.52	15.4	435,174	4,422
Hardware stores	1,625,842	.62	5.6	77,227	2,272
Plumbing and electrical supplies	1,691,452	.65	18.3	80,344	1,538
Paint, glass, and wallpaper	1,000,231	.38	7.6	47,511	2,008
Building material group	13,479,080	5.18	13.9	640,256	10,240
New motor vehicle dealers	25,828,365	9.92	4.0	1,226,847	2,607
Used motor vehicle dealers	1,868,078	.72	6.8	88,734	4,886
Automotive supplies and parts	3,392,012	1.30	7.9	161,121	9,088
Service stations	13,844,055	5.32	8.0	657,593	11,669
Mobile homes, trailers, and campers	961,969	.37	3.3	45,694	1,236
Boat, motorcycle, and plane dealers	1,255,344	.48	−5.1	59,629	2,450
Automotive group	47,149,823	18.11	5.3	2,239,617	31,936
Retail Stores Totals	**$168,465,845**	**64.71%**	**7.8%**	**$8,002,128**	**290,982**
Business and Personal Services	**12,091,168**	**4.64**	**9.5**	**374,330**	**106,253**
All Other Outlets	**79,795,267**	**30.65**	**7.9**	**3,790,275**	**500,987**
Totals All Outlets	**$260,352,280**	**100.00%**	**7.9%**	**$12,366,733** [d]	**898,222**
HISTORICAL DATA					
Comparable data for all outlets					
1987–88	$241,300,115	—	7.6%	$11,461,755	867,132
1986–87	224,224,849	—	5.9	10,650,680	841,630
1985–86	211,830,101	—	5.1	10,061,930	808,549
1984–85	201,498,133	—	9.8	9,571,161	783,718

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[a] Sales or purchases made with minor exceptions during the fiscal year as reported on returns received from Aug. 12, 1988 through Aug. 11, 1989.

[b] A separate permit is required for each outlet of each person selling tangible personal property of a kind whose retail sale is subject to tax.

[c] Only sales subject to sales and use tax are tabulated. Excluded are sales of food for home consumption and prescription medicines.

[d] In addition, the Board assessed state taxes of $247,719,000 and penalties and interest of $59,736,000.

SALES AND USE TAXES

TABLE 20—STATE SALES AND USE TAX STATISTICS, BY COUNTY, 1988–89

County	Taxable sales of retail stores (in thousands)	Taxable sales of all outlets[a]			State tax (in thousands)	Number of permits on June 30, 1989[b]
		Amount (in thousands)	Percent of total	Percent change from 1987–88		
1	2	3	4	5	6	7
Alameda	$7,441,421	$12,256,489	4.71%	9.1%	$582,183	38,844
Alpine	2,108	14,330	—[c]	—[c]	681	62
Amador	122,354	164,632	.06	8.4	7,820	1,411
Butte	955,787	1,214,030	.47	9.6	57,666	5,715
Calaveras	94,100	145,290	.06	−4.8	6,901	1,254
Colusa	71,786	149,717	.06	10.2	7,112	539
Contra Costa	4,706,962	6,548,368	2.52	7.0	311,047	22,585
Del Norte	73,138	122,955	.05	31.9	5,840	779
El Dorado	579,360	744,542	.29	12.2	35,366	5,127
Fresno	3,529,915	4,937,919	1.90	9.1	234,551	16,590
Glenn	87,062	168,420	.06	10.5	8,000	715
Humboldt	614,154	851,689	.33	6.9	40,455	4,477
Imperial	539,380	838,935	.32	12.0	39,849	3,402
Inyo	124,080	220,196	.08	39.4	10,459	828
Kern	2,701,745	4,224,844	1.62	5.8	200,680	13,402
Kings	383,683	526,939	.20	3.2	25,030	1,823
Lake	187,738	267,909	.10	7.2	12,726	1,539
Lassen	89,516	147,231	.06	12.0	6,993	826
Los Angeles	48,506,406	75,021,352	28.82	6.2	3,563,514	263,507
Madera	287,761	471,341	.18	10.9	22,389	2,190
Marin	1,653,996	2,215,436	.85	6.0	105,233	11,239
Mariposa	30,676	90,335	.03	8.5	4,291	592
Mendocino	412,887	555,397	.21	9.2	26,381	2,989
Merced	666,687	914,857	.35	7.6	43,456	3,488
Modoc	30,900	45,140	.02	1.5	2,144	361
Mono	73,590	109,861	.04	13.6	5,218	599
Monterey	1,887,964	2,604,069	1.00	7.7	123,693	9,189
Napa	569,671	835,919	.32	9.1	39,706	3,731
Nevada	343,810	480,131	.18	7.4	22,806	3,638
Orange	16,791,674	26,561,254	10.20	8.8	1,261,660	84,983
Placer	1,120,918	1,494,057	.57	13.6	70,968	6,339
Plumas	76,276	108,784	.04	6.9	5,167	1,009
Riverside	5,868,863	8,222,168	3.16	15.8	390,553	27,341
Sacramento	6,246,895	9,038,969	3.47	8.3	429,351	28,051
San Benito	115,021	216,400	.08	9.8	10,279	887
San Bernardino	7,076,391	10,083,596	3.87	11.6	478,971	35,042
San Diego	14,260,966	20,295,568	7.80	9.2	964,039	70,500
San Francisco	4,856,894	8,031,875	3.09	8.1	381,514	30,323
San Joaquin	2,349,104	3,393,118	1.30	8.1	161,173	11,218
San Luis Obispo	1,153,633	1,555,472	.60	6.3	73,885	7,205
San Mateo	4,555,534	7,289,760	2.80	3.8	346,264	22,008
Santa Barbara	2,115,678	2,871,122	1.10	7.5	136,378	12,489
Santa Clara	9,850,171	16,786,345	6.45	7.7	797,351	48,206
Santa Cruz	1,230,114	1,640,798	.63	5.9	77,938	8,445
Shasta	860,402	1,189,478	.46	7.1	56,500	4,987
Sierra	6,481	13,312	.01	24.3	632	133
Siskiyou	183,138	268,181	.10	7.5	12,739	2,039
Solano	1,563,745	2,065,493	.79	11.5	98,111	7,213
Sonoma	2,319,527	3,316,112	1.27	10.7	157,515	13,681
Stanislaus	2,014,693	2,805,658	1.08	9.0	133,269	9,524
Sutter	338,618	446,826	.17	6.8	21,224	1,760
Tehama	196,890	277,698	.11	11.6	13,191	1,382
Trinity	32,585	47,177	.02	.5	2,241	540
Tulare	1,309,700	1,860,977	.71	8.3	88,396	7,357
Tuolumne	213,994	285,279	.11	4.1	13,551	2,219
Ventura	3,809,202	5,241,716	2.01	8.5	248,982	19,453
Yolo	715,707	1,171,423	.45	9.3	55,643	3,434
Yuba	201,607	266,981	.10	1.2	12,682	1,324
Statewide	262,789	6,618,408	2.54	3.9	314,374	7,689
Totals	$168,465,846	$260,352,278	100.00%	7.9%	$12,366,733[d]	898,222

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[a] Sales or purchases made, with minor exceptions, during the fiscal year, as reported on returns received from Aug. 12, 1988 through Aug. 11, 1989.

[b] A separate permit is required for each outlet at which retail sales are made of any kind of tangible personal property which is subject to tax.

[c] Percentage change not shown for Alpine County because its small base, 0.006% of the statewide total, is subject to violent fluctuations that are not regarded as significant.

[d] In addition, the Board assessed state taxes of $247,719,000 and penalties and interest of $59,736,000.

SALES AND USE TAXES

TABLE 21A—REVENUES DISTRIBUTED TO CITIES AND COUNTIES FROM LOCAL SALES AND USE TAXES AND THE STATE CIGARETTE TAX, 1988–89

(In dollars)

Jurisdiction	Revenue distributed	
	Local sales and use taxes	State cigarette tax
1	2	3
Alameda County	9,534,852	267,499
Alameda	4,134,703	145,933
Albany	1,167,449	35,586
Berkeley	9,383,490	246,718
Dublin	5,437,963	92,402
Emeryville	2,983,209	41,445
Fremont	13,360,861	367,390
Hayward	18,295,364	340,184
Livermore	3,630,122	113,996
Newark	5,401,435	112,438
Oakland	27,276,324	788,408
Piedmont	138,622	14,868
Pleasanton	6,798,906	139,669
San Leandro	13,682,300	258,693
Union City	3,650,360	101,005
Total	124,875,960	3,066,234
Alpine County	162,301	4,670
Amador County	633,952	16,873
Amador	9,820	328
Ione	82,983	6,843
Jackson	670,844	12,065
Plymouth	52,782	1,781
Sutter Creek	220,383	5,294
Total	1,670,763	43,205
Butte County	2,713,377	80,772
Biggs	12,673	1,987
Chico	5,739,931	107,209
Gridley	502,517	11,374
Oroville	2,345,213	42,355
Paradise	936,308	44,441
Total	12,250,019	288,138
Calaveras County	1,215,667	33,730
Angels	406,421	8,123
Total	1,622,088	41,854
Colusa County	565,838	14,592
Colusa	790,498	15,423
Williams	250,344	5,114
Total	1,606,680	35,130
Contra Costa County	8,533,274	210,309
Antioch	3,701,045	113,578
Brentwood	527,207	13,911
Clayton	106,041	9,753
Concord	15,043,715	323,720
Danville	1,630,522	83,882
El Cerrito	1,854,618	52,348
Hercules	161,559	17,975
Lafayette	1,675,255	53,113
Martinez	2,104,260	60,801
Moraga	525,367	26,446
Orinda	586,693	56,706
Pinole	1,369,112	35,313
Pittsburg	2,550,417	93,082
Pleasant Hill	4,282,970	91,267
Richmond	7,854,537	197,203
San Pablo	1,737,436	48,391
San Ramon	2,720,764	70,897
Walnut Creek	10,020,293	199,554
Total	66,965,065	1,758,248
Del Norte County	477,189	10,866
Crescent City	751,443	12,633
Total	1,228,632	23,500
El Dorado County	3,141,356	81,223
Placerville	1,900,630	33,474
South Lake Tahoe	2,358,841	56,293
Total	7,400,828	170,989
Fresno County	6,607,248	173,032
Clovis	3,669,522	97,718
Coalinga	488,348	15,731
Firebaugh	329,281	8,994
Fowler	236,236	6,605
Fresno	33,815,205	803,322
Huron	118,740	6,173
Kerman	451,474	11,251
Kingsburg	303,962	11,664
Mendota	394,040	12,106
Orange Cove	108,161	7,136
Parlier	101,843	11,169
Reedley	1,024,068	29,737
Sanger	903,964	29,265
San Joaquin	127,027	4,185
Selma	1,394,145	34,114
Total	50,073,265	1,262,200
Glenn County	784,504	20,960
Orland	447,890	10,993
Willows	474,253	12,476
Total	1,706,647	44,430
Humboldt County	1,547,865	43,199
Arcata	1,107,778	31,913
Blue Lake	28,107	1,848
Eureka	4,978,973	92,289
Ferndale	71,423	2,781
Fortuna	703,275	19,718
Rio Dell	56,193	4,352
Trinidad	33,763	922
Total	8,527,378	197,021
Imperial County	1,991,656	52,289
Brawley	1,253,875	38,483
Calexico	1,976,991	45,168
Calipatria	80,266	4,403
El Centro	2,918,700	73,034
Holtville	142,249	8,039
Imperial	387,090	9,531
Westmorland	70,278	3,203
Total	8,821,105	234,150
Inyo County	742,212	16,349
Bishop	1,447,329	18,606
Total	2,189,541	34,955
Kern County	14,442,248	408,926
Arvin	366,212	15,290
Bakersfield	23,417,220	472,946
California City	78,606	5,537
Delano	1,351,764	41,587
Maricopa	15,178	1,803
McFarland	97,870	9,190
Kern County —Continued		
Ridgecrest	1,943,430	56,704
Shafter	517,464	15,244
Taft	1,110,848	22,509
Tehachapi	368,641	9,792
Wasco	523,456	20,251
Total	44,232,938	1,079,779
Kings County	1,296,895	35,863
Avenal	100,759	12,249
Corcoran	713,474	20,448
Hanford	2,603,804	69,110
Lemoore	637,743	24,442
Total	5,352,675	162,112
Lake County	1,406,129	38,267
Clearlake	675,439	24,767
Lakeport	643,107	13,240
Total	2,724,675	76,274
Lassen County	556,476	13,308
Susanville	986,929	19,989
Total	1,543,405	33,297
Los Angeles County	38,108,130	1,087,292
Agoura Hills	1,695,228	45,556
Alhambra	7,104,022	183,035
Arcadia	5,248,979	129,414
Artesia	1,502,157	37,115
Avalon	411,887	8,057
Azusa	3,121,493	89,084
Baldwin Park	2,211,406	105,544
Bell	1,261,754	51,307
Bellflower	3,937,248	122,607
Bell Gardens	1,274,095	64,442
Beverly Hills	11,536,557	183,200
Bradbury	2,075	1,205
Burbank	13,123,896	291,788
Carson	13,448,893	273,100
Cerritos	13,421,863	240,452
Claremont	2,171,967	71,363
Commerce	12,613,099	163,004
Compton	4,035,693	169,289
Covina	5,792,373	123,227
Cudahy	789,146	35,102
Culver City	9,208,600	344,898
Diamond Bar[a]	–	11,714
Downey	10,014,532	230,360
Duarte	1,520,329	43,229
El Monte	8,940,524	227,904
El Segundo	4,527,131	63,753
Gardena	6,088,943	137,366
Glendale	19,003,534	434,739
Glendora	2,801,629	97,772
Hawaiian Gardens	540,160	22,091
Hawthorne	6,004,488	154,827
Hermosa Beach	1,752,721	44,990
Hidden Hills	11,594	2,587
Huntington Park	4,142,541	112,776
Industry	16,980,632	203,530
Inglewood	6,441,792	215,786
Irwindale	2,457,356	30,653
La Canada Flintridge	1,336,477	42,834
La Habra Heights	81,623	7,315
Lakewood	7,202,516	183,598

SALES AND USE TAXES

TABLE 21A—REVENUES DISTRIBUTED TO CITIES AND COUNTIES FROM LOCAL SALES AND USE TAXES AND THE STATE CIGARETTE TAX, 1988–89—Continued

(In dollars)

Jurisdiction	Revenue distributed	
	Local sales and use taxes	State cigarette tax
1	2	3
Los Angeles County —Continued		
La Mirada	3,502,905	98,091
Lancaster	9,139,562	200,535
La Puente	1,510,472	61,644
La Verne	1,765,011	59,843
Lawndale	2,054,941	59,289
Lomita	984,710	37,563
Long Beach	28,748,747	866,504
Los Angeles	278,235,377	11,669,924
Lynwood	1,740,996	88,303
Manhattan Beach	3,608,201	89,119
Maywood	748,936	40,057
Monrovia	3,948,308	92,112
Montebello	6,774,075	158,079
Monterey Park	3,601,740	124,092
Norwalk	6,403,159	198,651
Palmdale	2,983,753	84,252
Palos Verdes Estates	218,493	21,668
Paramount	4,875,576	102,269
Pasadena	17,187,038	378,554
Pico Rivera	4,378,781	123,916
Pomona	8,073,195	251,308
Rancho Palos Verdes	805,246	71,921
Redondo Beach	6,757,872	171,580
Rolling Hills	7,820	2,962
Rolling Hills Estates	1,481,971	28,177
Rosemead	2,665,676	93,388
San Dimas	1,994,573	64,602
San Fernando	3,128,817	59,994
San Gabriel	2,900,378	78,454
San Marino	337,019	21,713
Santa Clarita	7,882,159	249,359
Santa Fe Springs	14,550,996	194,354
Santa Monica	15,585,912	522,924
Sierra Madre	178,291	16,342
Signal Hill	4,545,786	73,342
South El Monte	3,561,324	66,850
South Gate	4,989,058	162,207
South Pasadena	1,042,258	43,974
Temple City	1,333,037	57,419
Torrance	24,905,234	484,835
Vernon	5,468,168	70,065
Walnut	776,796	40,448
West Covina	8,342,048	223,444
West Hollywood	6,506,978	166,464
Westlake Village	939,818	25,551
Whittier	6,885,197	176,583
Total	769,925,493	24,060,630
Madera County	2,064,396	53,948
Chowchilla	407,706	13,010
Madera	2,215,992	61,384
Total	4,688,095	128,342
Marin County	1,419,554	38,409
Belvedere	58,299	3,773
Corte Madera	3,066,841	48,566
Fairfax	272,117	13,107
Larkspur	1,082,955	28,529
Mill Valley	1,392,330	33,277
Novato	3,065,876	95,692
Ross	40,106	3,993
San Anselmo	670,502	23,322
San Rafael	9,614,432	177,499
Sausalito	1,470,394	26,897
Tiburon	406,272	15,763
Total	22,559,676	508,827
Mariposa County	915,898	23,903
Mendocino County	2,115,550	55,285
Fort Bragg	1,064,487	19,701
Point Arena	32,693	1,023
Ukiah	1,750,849	38,427
Willits	614,217	13,157
Total	5,577,796	127,593
Merced County	2,242,045	58,323
Atwater	740,321	35,977
Dos Palos	242,054	8,490
Gustine	115,220	6,168
Livingston	286,801	11,121
Los Banos	1,014,873	28,445
Merced	4,672,157	122,181
Total	9,313,470	270,706
Modoc County	151,501	4,062
Alturas	324,883	8,177
Total	476,384	12,239
Mono County	300,258	7,575
Mammoth Lakes	851,010	18,616
Total	1,151,267	26,191
Monterey County	4,009,102	102,284
Carmel	1,779,149	27,955
Del Rey Oaks	119,066	3,420
Gonzales	123,841	6,907
Greenfield	204,476	10,520
King City	584,321	16,473
Marina	544,126	43,172
Monterey	4,897,793	100,671
Pacific Grove	1,272,420	34,931
Salinas	10,060,915	248,804
Sand City	192,480	2,806
Seaside	2,533,620	79,747
Soledad	182,183	10,645
Total	26,503,492	688,333
Napa County	3,008,880	80,239
Calistoga	268,793	8,846
Napa	4,328,050	123,657
St. Helena	677,403	14,817
Yountville	202,115	6,249
Total	8,485,241	233,809
Nevada County	2,798,234	73,284
Grass Valley	1,593,002	29,975
Nevada City	477,161	9,816
Total	4,868,397	113,075
Orange County	16,450,185	514,362
Anaheim	33,568,827	717,734
Brea	6,239,276	116,764
Buena Park	9,887,987	203,627
Costa Mesa	25,387,641	414,651
Cypress	2,979,470	91,744
Dana Point [a]	76,300	30,934
Fountain Valley	4,379,099	121,399
Fullerton	13,455,188	302,663
Garden Grove	13,528,354	335,874
Huntington Beach	17,363,979	459,756
Orange County —Continued		
Irvine	21,601,164	375,684
Laguna Beach	2,123,805	54,146
La Habra	4,332,306	115,582
La Palma	694,606	28,227
Los Alamitos	1,949,511	42,386
Mission Viejo	5,500,998	158,845
Newport Beach	11,955,065	230,226
Orange	20,435,020	364,863
Placentia	2,892,969	87,115
San Clemente	2,467,983	75,527
San Juan Capistrano	2,556,860	61,668
Santa Ana	30,331,787	659,074
Seal Beach	1,100,381	48,097
Stanton	2,714,061	67,460
Tustin	7,031,846	139,766
Villa Park	153,759	10,962
Westminster	8,487,198	197,371
Yorba Linda	1,430,730	74,794
Total	271,076,376	6,101,499
Placer County	5,220,250	131,606
Auburn	1,496,583	30,128
Colfax	294,247	4,847
Lincoln	384,211	12,729
Loomis	286,505	14,786
Rocklin	904,144	27,571
Roseville	6,363,078	118,476
Total	14,949,018	340,143
Plumas County	994,865	26,158
Portola	104,534	3,941
Total	1,099,399	30,099
Riverside County	15,452,783	390,960
Banning	1,209,671	37,641
Beaumont	899,125	21,436
Blythe	1,094,666	23,555
Cathedral City	3,960,770	77,550
Coachella	642,150	25,153
Corona	6,645,586	141,284
Desert Hot Springs	427,304	18,428
Hemet	3,325,066	81,012
Indian Wells	369,693	7,624
Indio	3,827,200	88,927
Lake Elsinore	1,567,836	33,206
La Quinta	545,805	18,348
Moreno Valley	3,347,563	151,705
Norco	1,326,941	46,630
Palm Desert	4,812,386	78,855
Palm Springs	5,115,927	116,261
Perris	1,464,070	32,552
Rancho Mirage	1,713,740	30,238
Riverside	23,262,185	537,721
San Jacinto	691,400	23,978
Total	81,701,868	1,983,063
Sacramento County	53,926,145	1,449,673
Folsom	1,719,722	48,542
Galt	377,647	14,066
Isleton	76,609	2,376
Sacramento	35,581,785	847,572
Total	91,681,909	2,362,228

SALES AND USE TAXES

TABLE 21A—REVENUES DISTRIBUTED TO CITIES AND COUNTIES FROM LOCAL SALES AND USE TAXES AND THE STATE CIGARETTE TAX, 1988–89—Continued

(In dollars)

Jurisdiction	Revenue distributed	
	Local sales and use taxes	State cigarette tax
1	2	3
San Benito County	794,791	21,902
Hollister	1,361,004	38,307
San Juan Bautista	103,765	3,046
Total	2,259,560	63,254
San Bernardino County	13,662,492	423,034
Adelanto	113,177	7,485
Apple Valley [a]	279,149	34,429
Barstow	2,267,174	54,303
Big Bear Lake	887,678	21,834
Chino	5,401,670	134,989
Colton	3,929,176	93,858
Fontana	5,605,178	154,556
Grand Terrace	299,179	16,033
Hesperia [a]	1,514,082	75,376
Highland	577,673	44,951
Loma Linda	935,169	27,958
Montclair	7,991,831	128,260
Needles	478,771	12,211
Ontario	12,807,997	294,467
Rancho Cucamonga	4,332,299	171,401
Redlands	4,817,699	127,077
Rialto	2,900,534	112,653
San Bernardino	20,425,666	435,070
Twenty-nine Palms	489,874	19,759
Upland	5,643,512	143,948
Victorville	5,942,773	104,657
Total	101,302,753	2,638,307
San Diego County	9,510,251	245,534
Carlsbad	8,395,065	169,723
Chula Vista	10,217,872	281,255
Coronado	1,106,192	43,675
Del Mar	572,010	13,897
El Cajon	12,108,399	255,355
Encinitas	4,192,815	157,834
Escondido	16,100,258	309,095
Imperial Beach	498,525	38,509
La Mesa	6,988,742	151,825
Lemon Grove	1,959,808	51,799
National City	10,374,416	193,767
Oceanside	6,597,021	214,213
Poway	2,567,990	95,737
San Diego	99,571,539	2,545,086
San Marcos	6,232,781	110,069
Santee	3,398,491	120,289
Solana Beach	1,207,432	44,653
Vista	3,117,401	107,310
Total	204,717,006	5,149,625
City and County of San Francisco	83,239,701	2,198,764
San Joaquin County	6,674,637	174,244
Escalon	296,229	8,602
Lodi	4,526,289	117,135
Manteca	2,468,802	77,594
Ripon	231,825	12,971
Stockton	18,057,720	460,652
Tracy	1,924,296	59,175
Total	34,179,797	910,374
San Luis Obispo County	2,834,571	80,166
Arroyo Grande	1,412,814	34,834
Atascadero	1,522,268	46,509
Grover City	550,933	21,026
Morro Bay	917,043	23,666
Paso Robles	2,068,031	43,664
Pismo Beach	713,965	17,082
San Luis Obispo	6,047,328	125,439
Total	16,066,954	392,387
San Mateo County	9,357,916	258,266
Atherton	92,879	11,146
Belmont	1,373,837	47,663
Brisbane	2,625,675	37,486
Burlingame	5,475,529	111,031
Colma	3,925,007	47,594
Daly City	5,532,510	180,806
East Palo Alto	218,114	36,599
Foster City	2,051,236	60,819
Half Moon Bay	693,373	18,987
Hillsborough	84,510	15,295
Menlo Park	3,937,030	78,945
Millbrae	1,553,206	46,669
Pacifica	971,357	59,428
Portola Valley	83,695	6,640
Redwood City	8,928,956	188,709
San Bruno	3,887,107	92,028
San Carlos	3,018,268	70,248
San Mateo	11,111,098	246,892
South San Francisco	9,038,283	176,751
Woodside	194,201	9,512
Total	74,153,787	1,801,514
Santa Barbara County	6,952,605	184,203
Carpinteria	768,458	26,024
Guadalupe	124,826	8,330
Lompoc	1,956,229	64,364
Santa Barbara	11,604,093	241,593
Santa Maria	7,101,647	150,157
Solvang	769,884	17,979
Total	29,277,741	692,650
Santa Clara County	2,694,866	71,630
Campbell	5,779,254	114,881
Cupertino	6,260,305	122,703
Gilroy	3,191,276	72,966
Los Altos	2,050,496	60,089
Los Altos Hills	80,315	11,004
Los Gatos	4,386,491	89,176
Milpitas	5,815,937	118,451
Monte Sereno	48,649	4,438
Morgan Hill	1,620,669	48,166
Mountain View	13,978,493	237,120
Palo Alto	12,388,911	221,145
San Jose	68,526,025	1,745,865
Santa Clara	23,731,423	405,405
Saratoga	867,196	49,141
Sunnyvale	20,643,733	429,665
Total	172,064,039	3,801,846
Santa Cruz County	4,387,041	121,843
Capitola	2,480,095	42,271
Santa Cruz	5,426,186	129,728
Scotts Valley	1,364,618	28,118
Watsonville	2,988,776	72,408
Total	16,646,716	394,369
Shasta County	2,121,295	53,644
Anderson	685,963	18,987
Redding	9,219,006	181,674
Total	12,026,264	254,305
Sierra County	87,516	2,127
Loyalton	44,459	1,999
Total	131,975	4,127
Siskiyou County	527,864	14,069
Dorris	24,144	1,468
Dunsmuir	120,327	4,327
Etna	41,017	1,553
Fort Jones	61,846	1,458
Montague	30,941	2,374
Mount Shasta	573,760	11,309
Tulelake	61,192	1,941
Weed	237,601	6,631
Yreka	1,104,751	21,680
Total	2,783,444	66,810
Solano County	1,328,670	32,404
Benicia	1,918,373	49,883
Dixon	728,499	21,322
Fairfield	7,107,342	176,420
Rio Vista	392,175	9,172
Suisun	380,697	26,878
Vacaville	3,046,678	112,680
Vallejo	5,824,626	193,443
Total	20,727,060	622,203
Sonoma County	7,281,041	185,008
Cloverdale	363,706	9,894
Cotati	597,496	13,320
Healdsburg	1,561,953	29,487
Petaluma	3,758,709	96,676
Rohnert Park	1,795,648	62,015
Santa Rosa	16,082,057	331,090
Sebastopol	853,479	18,576
Sonoma	1,020,260	21,804
Total	33,314,349	767,869
Stanislaus County	7,182,683	184,577
Ceres	1,608,671	43,277
Hughson	113,840	5,254
Modesto	13,812,792	349,523
Newman	292,624	7,613
Oakdale	1,252,437	27,248
Patterson	403,649	13,305
Riverbank	251,797	14,246
Turlock	3,232,854	86,091
Waterford	128,934	5,762
Total	28,280,282	736,895

TABLE 21A—REVENUES DISTRIBUTED TO CITIES AND COUNTIES FROM LOCAL SALES AND USE TAXES AND THE STATE CIGARETTE TAX, 1988–89—Concluded

(In dollars)

Jurisdiction	Revenue distributed	
	Local sales and use taxes	State cigarette tax
1	2	3
Sutter County	1,170,013	33,396
Live Oak	84,201	6,033
Yuba City	3,237,073	68,549
Total	4,491,287	107,979
Tehama County	618,874	15,924
Corning	837,643	16,945
Red Bluff	1,324,265	31,334
Tehama	356	494
Total	2,781,137	64,697
Trinity County	485,581	13,175
Tulare County	4,548,537	119,033
Dinuba	552,196	21,376
Exeter	352,317	12,943
Farmersville	122,255	9,062
Lindsay	378,451	14,739
Porterville	2,401,059	61,446
Tulare	2,415,482	63,596
Visalia	7,967,625	177,550
Woodlake	171,822	8,769
Total	18,909,745	488,514
Tuolumne County	2,119,017	57,221
Sonora	876,304	15,603
Total	2,995,321	72,824
Ventura County	5,589,478	147,653
Camarillo	3,274,568	96,746
Fillmore	517,196	20,260
Moorpark	751,964	36,745
Ojai	726,853	18,020
Oxnard	9,993,192	282,806
Port Hueneme	540,691	33,077
Santa Paula	1,047,139	42,625
Simi Valley	6,195,184	195,537
Thousand Oaks	10,841,316	260,864
Ventura	13,802,764	277,421
Total	53,280,346	1,411,753
Yolo County	1,196,080	32,672
Davis	2,148,922	81,124
West Sacramento	4,620,604	107,345
Winters	111,767	6,109
Woodland	3,607,363	89,596
Total	11,684,736	316,846
Yuba County	922,796	25,083
Marysville	1,793,977	37,521
Wheatland	34,143	2,738
Total	2,750,916	65,342
Amounts distributed to:		
City and County of San Francisco	83,239,701	2,198,764
Counties other than San Francisco	297,579,431	8,116,899
Cities other than San Francisco	2,205,679,127	58,287,629
Grand totals	2,586,498,260	68,603,292

Note: Detail may not add to total due to rounding.

[a] During the fiscal year, four cities became incorporated. Those cities, the effective date of their sales tax ordinances and the number of months of sales tax distributions they received during 1988–89 are as follows:

Apple Valley; January 1, 1989; 4 months
Dana Point; April 1, 1989; 1 month
Diamond Bar; July 1, 1989; none
Hesperia; October 1, 1988; 7 months

SALES AND USE TAXES

TABLE 21B—REVENUES DISTRIBUTED TO COUNTIES FROM COUNTY TRANSPORTATION TAX,[a] 1988–89

County	Revenue distributed [b]	County	Revenue distributed [b]	County	Revenue distributed [b]
1	2	1	2	1	2
Alameda	$31,188,168	Marin	5,629,433	San Mateo	18,522,302
Alpine	39,892	Mariposa	228,646	Santa Barbara	7,310,879
Amador	416,979	Mendocino	1,392,628	Santa Clara	43,007,306
Butte	3,050,477	Merced	2,251,561	Santa Cruz	4,159,504
Calaveras	404,996	Modoc	118,889	Shasta	3,000,680
Colusa	400,347	Mono	287,515	Sierra	32,982
Contra Costa	16,736,153	Monterey	6,611,638	Siskiyou	695,276
Del Norte	306,668	Napa	2,119,235	Solano	5,175,521
El Dorado	1,846,314	Nevada	1,214,802	Sonoma	8,318,610
Fresno	12,505,711	Orange	67,739,211	Stanislaus	7,061,886
Glenn	426,006	Placer	3,734,013	Sutter	1,120,367
Humboldt	2,131,396	Plumas	274,273	Tehama	694,276
Imperial	2,206,214	Riverside	20,332,452	Trinity	121,462
Inyo	546,475	Sacramento	22,870,734	Tulare	4,712,154
Kern	11,079,345	San Benito	563,865	Tuolumne	747,264
Kings	1,334,548	San Bernardino	25,273,875	Ventura	13,272,287
Lake	680,329	San Diego	51,149,122	Yolo	2,916,043
Lassen	385,830	San Francisco	20,757,228	Yuba	686,304
Los Angeles	192,298,064	San Joaquin	8,534,968		
Madera	1,170,102	San Luis Obispo	4,011,369	TOTAL	$645,804,571

NOTE: Detail may not add to total due to rounding.

[a] Effective July 1, 1972, a ¼ percent county sales tax was imposed. This revenue is to be used for transportation purposes in each county.

[b] These are actual payments to the counties and exclude the Board's administrative charge of $5,313,531 and the Business and Transportation Agency's administrative charge of $1,041,827.

TABLE 21C—REVENUES DISTRIBUTED TO SPECIAL DISTRICTS FROM TRANSACTIONS AND USE TAX, 1988–89

District	Revenue distributed [a]
1	2
Alameda County Transportation Authority [h]	$54,587,856
Bay Area Rapid Transit District [b]	137,743,319
Contra Costa Transportation Authority [k]	2,307,661
Fresno County Transportation Authority [i]	23,562,393
Inyo County Rural Counties Transactions and Use Tax [l]	759,919
Los Angeles County Transportation Commission [c]	372,200,723
Sacramento County Transportation Authority [m]	3,257,033
San Benito County Council of Governments [n]	312,909
San Diego County Regional Transportation Commission [j]	95,691,042
San Diego County Regional Justice Facilities Financing Agency [o]	27,680,544
San Mateo County Transit District [d]	31,505,210
San Mateo County Transportation Authority [p]	8,398,273
Santa Clara County Traffic Authority [e]	82,641,373
Santa Clara County Transit District [f]	82,947,366
Santa Cruz Metropolitan Transit District [g]	8,916,977
Total	$932,512,598

[a] These are actual payments to the transit districts and exclude administrative charges of $14,103,122.

[b] This one-half of one percent tax became effective April 1, 1970 in the counties of Alameda, Contra Costa, and San Francisco. Effective January 1, 1978, 25 percent of the revenue collected under the Bay Area Transit District Sales Tax was earmarked for the Metropolitan Transportation Commission. (Collections are shown in Table 2, footnote d.) The BARTD figures above include MTC allocations. For 1988–89, BARTD received direct allocations of $100,614,378 and $37,128,941 were allocated for MTC as follows: Alameda-Contra Costa Transit District, $17,625,486; San Francisco Municipal Railway, $19,185,784; and BARTD, $317,671.

[c] This one-half of one percent tax became effective July 1, 1982 in Los Angeles County. The one-half of one percent Southern California Rapid Transit District Sales Tax was effective from July 1, 1970 through December 31, 1970 in Los Angeles County.

[d] This one-half of one percent tax became effective July 1, 1982 in San Mateo County.

[e] This one-half of one percent tax became effective April 1, 1985 in Santa Clara County.

[f] This one-half of one percent tax became effective October 1, 1976 in Santa Clara County.

[g] This one-half of one percent tax became effective January 1, 1979 in Santa Cruz County.

[h] This one-half of one percent tax became effective April 1, 1987 in Alameda County.

[i] This one-half of one percent tax became effective July 1, 1987 in Fresno County.

[j] This one-half of one percent tax became effective April 1, 1988 in San Diego County.

[k] This one-half of one percent tax became effective April 1, 1989 in Contra Costa County.

[l] This one-half of one percent tax became effective October 1, 1988 in Inyo County.

[m] This one-half of one percent tax became effective April 1, 1989 in Sacramento County.

[n] This one-half of one percent tax became effective January 1, 1989 in San Benito County.

[o] This one-half of one percent tax became effective January 1, 1989 in San Diego County.

[p] This one-half of one percent tax became effective January 1, 1989 in San Mateo County.

SALES AND USE TAXES

TABLE 22A—LOCAL SALES TAX DISTRIBUTIONS AND ADMINISTRATIVE CHARGES TO CITIES AND COUNTIES, 1956–57 TO 1988–89

Fiscal year	Net amount distributed (in thousands)				Administrative cost rate per $100 collected [d]	Administrative charge [e] (in thousands)
	County transportation tax [a]	Local sales tax [b]		Total		
		To counties [c]	To cities			
1	2	3	4	5	6	7
1988–89	$645,805	$380,819	$2,205,679	$3,232,304	.82	$26,975
1987–88	604,477	369,335	2,048,734	3,022,547	.82	25,165
1986–87	557,863	348,366	1,884,007	2,232,373	.82	23,224
1985–86	535,272	344,736	1,794,613	2,674,621	.82	22,045
1984–85	500,230	342,520	1,659,278	2,502,028	.82	20,972
1983–84	447,671	312,547	1,478,733	2,238,951	.82	18,751
1982–83	391,367	282,212	1,279,151	1,952,730	.82	16,613
1981–82	392,756	289,469	1,282,420	1,964,645	.82	16,433
1980–81	361,888	272,741	1,176,000	1,810,629	.82	15,253
1979–80	340,922	255,372	1,108,417	1,704,711	.82	14,181
1978–79	296,051	220,403	962,997	1,479,451	.82	12,402
1977–78	257,221	192,488	837,756	1,287,465	.82	10,798
1976–77	219,309	167,516	709,664	1,096,489	.82	9,257
1975–76	190,348	147,670	618,406	956,424	.82	8,031
1974–75	172,343	136,047	559,337	867,727	.82	7,253
1973–74	158,087	124,964	513,282	796,333	.82	6,560
1972–73	110,010 [f]	105,678	447,986	663,674	.82 [g]	5,521
1971–72	—	91,117	387,977	479,094	1.01	4,891
1970–71	—	82,337	347,766	430,103	1.09	4,652
1969–70	—	80,691	345,626	426,317	1.10	4,696
1968–69	—	74,687	318,913	393,600	1.13	4,544
1967–68	—	73,227	300,530	373,757 [h]	1.23 [i]	4,926
1966–67	—	68,097	270,241	338,338	1.50	5,162
1965–66	—	64,337	254,851	319,188	1.53	4,871
1964–65	—	62,063	239,455	301,518	1.50	4,610
1963–64	—	59,242	222,908	282,150	1.53	4,386
1962–63	—	55,786 [j]	205,435	261,221 [j]	1.53	4,077
1961–62	—	53,763	186,881	240,644	1.57	3,856
1960–61	—	51,793	174,505	226,298	1.60	3,650
1959–60	—	52,396	162,749	215,145 [k]	1.50	3,348
1958–59	—	44,835	144,968	189,803 [l]	1.64	3,134
1957–58	—	29,473	132,442	161,915	1.72	2,837
1956–57	—	21,257	103,220	124,477	1.65	2,143

NOTE: Excludes distributions to special districts which were collected at the rate of ½ of one percent: see Table 22B.

[a] Administrative charges by the Board of Equalization and the Business and Transportation Agency have been deducted. These amounted to $6,355,358 in 1988–89.

[b] Includes any administrative cost adjustment made during the fiscal year.

[c] Includes the City and County of San Francisco.

[d] Prior to July 1, 1972, the actual cost of collecting $100 in the fiscal year and the ultimate rate which cities and counties were charged.

[e] These are the amounts actually withheld. The exact charge for administration in any year cannot be computed from the rate shown in the previous column, because the tentative charge used to withhold funds is based on the effective rate in the prior fiscal year. Adjustments are deducted from the fiscal year to which they apply.

[f] Includes advances and payments for only ten months.

[g] Effective July 1, 1972, an administrative cost rate of 82 cents per $100 collected was set by law.

[h] Effective October 1, 1967, taxpayers were required to prepay state sales and use tax were also required to prepay local sales and use tax. This resulted in a one-time windfall of $19,250,000 during the 1967–68 fiscal year.

[i] Additional revenue from the one-cent increase in the state sales tax rate effective August 1, 1967, resulted in a sharp reduction in the ratio.

[j] Excludes $595,317 that was collected in 1959–60 and impounded pending decision on litigation brought by the City of Commerce. This amount, plus accumulated interest, was distributed in 1962–63.

[k] Excludes $3,825,750 advanced to cities and counties in the 1958–59 fiscal year out of receipts that normally would have been distributed in the first quarter of the 1959–60 fiscal year. This sum was distributed to help local jurisdictions whose sales tax receipts were running below expectations because of the 1957–58 business recession.

[l] Includes the $3,825,750 discussed in the previous footnote.

SALES AND USE TAXES

TABLE 22B—TRANSIT DISTRICT TAX DISTRIBUTIONS AND ADMINISTRATIVE CHARGES, 1969–70 TO 1988–89

(in thousands of dollars)

Fiscal year 1	Net amount distributed 2	Administrative charge 3
1988–89	$932,513	$14,103
1987–88	735,405	10,808
1986–87	617,816	9,077
1985–86	590,066	9,723
1984–85	495,958	8,197
1983–84	445,738	7,331
1982–83	349,385	5,233
1981–82	142,505	2,252
1980–81	114,621	2,061
1979–80	119,728	1,911
1978–79	87,103	1,587
1977–78	80,680	1,404
1976–77	60,176	986
1975–76	42,424	713
1974–75	40,023	669
1973–74	35,613	599
1972–73	31,343	585
1971–72	28,325	577
1970–71	60,860	1,333
1969–70	1,570	298

SALES AND USE TAXES

TABLE 23—LOCAL SALES AND USE TAX RATES IMPOSED BY CALIFORNIA CITIES ON JULY 1, 1989

County 1	City rate [a] 2	Cities 3
Alameda	1.00	Dublin/Livermore/ San Leandro
	.95	All other cities
Alpine	—	No incorporated cities
Amador	1.00	All cities
Butte	.95	Chico
	1.00	All other cities
Calaveras	.95	Angels
Colusa	1.00	All cities
Contra Costa	.975	All cities
Del Norte	1.00	All cities
El Dorado	1.00	All cities
Fresno	.99	Fresno
	1.00	All other cities
Glenn	1.00	All cities
Humboldt	1.00	All cities
Imperial	1.00	All cities
Inyo	1.00	All cities
Kern	1.00	All cities
Kings	.95	Hanford
	.98	All other cities
Lake	1.00	All cities
Lassen	1.00	All cities
Los Angeles	1.00	All cities
Madera	1.00	All cities
Marin	1.00	All cities
Mariposa	—	No incorporated cities
Mendocino	1.00	All cities
Merced	.925	Merced
	.95	Los Banos
	1.00	All other cities
Modoc	.90	Alturas
Mono	1.00	Mammoth Lakes
Monterey	1.00	All cities
Napa	.855	All cities
Nevada	1.00	All cities
Orange	1.00	All cities
Placer	1.00	All cities
Plumas	.95	Portola
Riverside	1.00	All cities
Sacramento	1.00	All cities
San Benito	1.00	All cities
San Bernardino	1.00	All cities
San Diego	1.00	All cities
San Francisco	1.00	—
San Joaquin	1.00	All cities
San Luis Obispo	1.00	All cities
San Mateo	.95	All cities
Santa Barbara	1.00	All cities
Santa Clara	1.00	All cities
Santa Cruz	1.00	All cities
Shasta	1.00	All cities
Sierra	.95	Loyalton
Siskiyou	1.00	All cities
Solano	1.00	All cities
Sonoma	.975	All cities
Stanislaus	.95	Modesto/Turlock
	.97	Ceres
	.99	Oakdale
	1.00	All other cities
Sutter	1.00	All cities
Tehama	1.00	Tehama
Trinity	—	No incorporated cities
Tulare	.95	All cities
Tuolumne	.95	Sonora
Ventura	1.00	Ojai
	.967	All other cities
Yolo	1.00	All cities
Yuba	1.00	All cities

[a] Each city's tax rate is credited against the county's one percent tax.

MOTOR VEHICLE FUEL TAXES

TABLE 24—GASOLINE AND JET FUEL TAX STATISTICS, 1923–25 TO 1988–89

	Gasoline				Jet fuel tax	
Fiscal year	Taxable distributions (in thousands of gallons)	Revenue [a] (in thousands)	Refunds (in thousands)	Tax-paying distributors on June 30 [b]	Taxable distributions (in thousands of gallons)	Revenue [a] (in thousands)
1	2	3	4	5	6	7
1988–89	13,202,015	$1,186,811	$17,049	155	53,603	$1,142
1987–88	12,822,442	1,159,798 [r]	19,968	161	46,364	1,099
1986–87	12,553,224	1,125,715	21,523	140	44,304	966
1985–86	11,878,617	1,083,986	12,562	137	39,255	845
1984–85	11,642,880	1,054,864	13,911	147	41,617	884
1983–84	11,378,375	1,027,740 [c]	19,086	154	41,025	845
1982–83	10,941,848	877,130 [c]	17,139 [d]	145	37,471	703
1981–82	11,015,230	770,628 [d]	27,572	131	40,435	860
1980–81	11,185,862	787,106	25,987	102	43,713	891
1979–80	11,316,801	800,012	24,451	94	50,225	988
1978–79	11,916,829	835,947	21,716	77	46,422	915
1977–78	11,571,520	810,020	18,866	76	34,469	692
1976–77	10,995,557	769,978	15,775	84	27,445	551
1975–76	10,530,404	737,100	14,802	77	23,583	474
1974–75	10,141,120	709,899	13,347	72	20,494	411
1973–74	10,019,253	701,400	15,271	49	19,324	390
1972–73	10,223,805	715,683	15,244	49	17,941	360
1971–72	9,748,850	682,482	13,393	48	14,463	292
1970–71	9,232,664	646,312	13,401	58	12,043	245
1969–70	8,939,785	641,268 [e]	13,437	52	8,057 [f]	163 [f]
1968–69	8,494,055	601,783 [e]	14,596	53	—	—
1967–68	8,057,505	564,038	14,012	63	—	—
1966–67	7,649,738	535,488	15,560	59	—	—
1965–66	7,385,411	529,819 [g]	17,234	63	—	—
1964–65	7,041,337	510,954 [g]	15,981	61	—	—
1963–64	6,732,890	454,126 [h]	14,680	63	—	—
1962–63	6,331,380	379,883	14,846	71	—	—
1961–62	5,995,532	359,739	15,361	81	—	—
1960–61	5,794,324	347,668	17,268	80	—	—
1959–60	5,626,387 [i]	337,588 [i]	20,814	89	—	—
1958–59	5,404,848	324,295	21,410	88	—	—
1957–58	5,117,693	307,038	20,531	94	—	—
1956–57	4,932,752	295,982	20,786	100	—	—
1955–56	4,734,064	284,152	21,516	100	—	—
1954–55	4,424,151	265,576	26,192	102	—	—
1953–54	4,255,309	255,305 [j]	26,088	88	—	—
1952–53	4,156,557	187,047	19,175	90	—	—
1951–52	3,878,273	174,527	19,595	100	—	—
1950–51	3,589,902	161,551	15,339	112	—	—
1945–50	14,909,722	592,832 [k]	—	107		
1940–45	9,167,652	275,029	—	122	—	—
1935–40	8,594,082	258,845	—	142	—	—
1930–35	6,790,740	201,685	—	88	—	—
1925–30	5,351,593	139,925 [l]	—	82	—	—
1923–25	1,259,474	24,938 [m]	—	74	—	—

[a] Includes self-assessed taxes, tax deficiencies, interest and penalties. Refunds for nonhighway use (column 4) have not been deducted.

[b] In addition, on June 30, 1989 there were 76 fully-licensed distributors who incurred no tax liabilities during the year.

[c] Effective January 1, 1983, the tax rate was increased from 7 cents to 9 cents per gallon. Receipts from the two cents per gallon storage tax imposed at the time of the rate increase are not included; these amounted to $3,456,000 in 1982–83 and $169,000 in 1983–84 including interest and penalties.

[d] A revision in the Revenue and Taxation Code effective January 1, 1982, allows a taxpayer to offset tax-paid exports against incurred tax liability instead of filing a claim for refund on such exports. Net revenue, over time, should not be affected by this revision.

[e] A special one-cent levy was in effect from June 1, 1969 through August 31, 1969 to raise funds to repair and restore storm- and flood-damaged roads. This levy raised $7.2 million from distributions during the 1968–69 fiscal year and $15.5 million during the 1969–70 fiscal year. No storage tax was imposed.

[f] The aircraft jet fuel tax levied at the rate of two cents per gallon on jet aircraft fuel used in general aviation became operative December 1, 1969 under the Motor Vehicle Fuel License Tax Law.

[g] A special one-cent levy was in effect from April 1, 1965 through August 31, 1965 to raise funds to repair and restore storm- and flood-damaged roads in the northwestern part of the state. This levy raised $18.2 million from distributions during the 1964–65 fiscal year (excluding the storage tax of $1,108,000 including interest and penalties) and $12.8 million during the 1965–66 fiscal year (excluding the storage tax refund of $1,131,000).

[h] Effective October 1, 1963, the tax rate was increased from 6 cents to 7 cents per gallon. Receipts from the one cent per gallon storage tax imposed at the time of the rate increase are not included; these amounted to $1,125,267, including interest and penalties.

[i] Effective October 1, 1959, liquefied petroleum gases were excluded from the definition of a "motor vehicle fuel." Since that date, vendors and users of this fuel have been required to report under the Use Fuel Tax Law. (See Table 26.)

[j] Effective July 1, 1953, the tax rate was increased from 4½ cents to 6 cents per gallon. Receipts from the 1½ cent storage tax imposed at the time of the rate increase are not included; these amounted to $1,071,000, including interest and penalties.

[k] Effective July 1, 1947, the tax rate was increased from 3 cents to 4½ cents per gallon. Receipts from the 1½ cent storage tax imposed at the time of the rate increase are not included; these amounted to $660,000, including interest and penalties.

[l] Effective July 29, 1927, the tax rate was increased from 2 cents to 3 cents per gallon.

[m] The motor vehicle fuel tax was first imposed October 1, 1923 at a rate of two cents per gallon.

[r] Revised.

MOTOR VEHICLE FUEL TAXES

TABLE 25—TAXABLE DISTRIBUTIONS OF GASOLINE AND TAX ASSESSMENTS, BY DISTRIBUTOR, 1987–88 AND 1988–89

Name of company [a]	Gallons (in thousands)		Tax [b] (in thousands)	
	1987–88	1988–89	1987–88	1988–89
1	2	3	4	5
Astra Oil Company, Incorporated	10,205	22,728	$918	$2,046
Atlantic Richfield Company	2,344,109	2,369,216	210,970	213,229
Berry-Hinckley Terminal Company, Incorporated	809	1,077	73	97
Bi-State Petroleum	3,321	3,568	299	321
Casey Company	–	6,544	–	589
Chemoil Refining Corporation	–	10,735	–	966
Chevron USA, Incorporated	2,015,456	2,081,157	181,391	187,304
Clarendon Marketing, Incorporated	11,272	8,089	1,014	728
Cluj Distribution Company	178	3,166	16	285
Douglas Oil Company of California	73,611	78,646	6,625	7,078
Ed Staub and Sons Petroleum, Incorporated	1,980	3,143	178	283
Edgington Oil Company, Incorporated (1)	–	1,379	–	124
Eureka Fuel Company	2,319	3,534	209	318
Exxon Corporation	703,390	846,859	63,305	76,217
Fletcher Oil and Refining Company	124,239	161,652	11,182	14,549
Ford Motor Company	3,027	2,805	272	252
Golden West Refining Company	344,303	382,454	30,987	34,421
Hill Petroleum Company	–	8,742	–	787
Huntway Refining Company (1)	3,355	4,019	302	362
Huntway Refining Company (2)	–	5,180	–	466
Inyo Crude, Incorporated	582	2,874	52	259
J. Aron and Company	–	11,111	–	1,000
Kern Oil and Refining Company	41,211	50,488	3,709	4,544
Lee Chambers Petroleum, Incorporated	1,224	971	110	87
Leo S. Jones Oil Company, Incorporated	1,080	3,571	97	321
MT Transportation, Incorporated	2,980	3,117	268	280
Mieco Incorporated	–	4,200	–	378
Mobil Oil Corporation	923,122	984,281	83,081	88,585
Nella Oil	2,338	2,587	210	233
Newhall Refining Company, Incorporated	21,273	3,111	1,915	280
Nikolaus Transportation, Incorporated	731	1,308	66	118
Pacific Refining Company (1)	97,538	76,433	8,778	6,879
Pacific Refining Company (2)	–	50,091	–	4,508
Paramount Petroleum Corporation (1)	67,450	18,726	6,071	1,685
Paramount Petroleum Corporation (2)	–	22,542	–	2,029
Petro-Diamond, Incorporated	1,048	39,194	94	3,527
Petrolane, Incorporated, a Limited Partnership	54	3,588	5	323
Phillips 66 Company	90	1,764	8	159
Powerine Oil Company	212,940	212,670	19,165	19,140
Redwood Oil Company, Incorporated	754	778	68	70
Shell Oil Company	1,842,546	1,943,980	165,829	174,958
Snobird, Incorporated	1,491	1,517	134	137
Southland Corporation (The)	833	928	75	84
Tapogna Fuel Company	1,945	1,897	175	171
Texaco Refining and Marketing, Incorporated	794,285	741,777	71,486	66,760
Texmo Oil Company Jobbers, Incorporated	1,158	1,108	104	100
Time Oil Company	19,997	17,643	1,800	1,588
Tosco Corporation	553,725	506,352	49,835	45,572
U.S.A. Petroleum Corporation	1,661	1,420	149	128
Ultramar, Incorporated (formerly Beacon Oil Company)	275,735	505,521	24,816	45,497
Union Pacific Resources Company	370,916	162,855	33,382	14,657
United Oil Company	1,240	1,769	112	159
UNOCAL	1,569,822	1,560,017	141,284	140,402
Western Energetix Corporation	1,410	1,454	127	131
Wickland International	2,502	12,152	225	1,094
Wickland Oil Company	227,642	133,750	20,488	12,037
World Oil Company	51,388	37,156	4,625	3,344
Wright Oil Company	4,654	6,389	419	575
97 Other distributors paying less than $70,000 in 1988–89	83,016	11,401	7,471	1,026
Adjustments [c]	487	54,831	5,824	3,564
Total	12,822,442	13,202,015	$1,159,798	$1,186,811

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[a] "Distributors" are companies or individuals who make the first distribution of gasoline in California, and are responsible for payment of the tax. (Aircraft manufacturers and certificated or licensed carriers by air may be included within the definition of distributor.) "Broker" includes every person, other than a distributor or a retailer, who deals in lots of 200 or more gallons of gasoline.

[b] Refunds for non-highway use totaling $19,968,000 in 1987–88 and $17,049,000 in 1988–89 have not been deducted.

[c] Adjustments include temperature-corrected gallonage from broker returns, late returns, audits, interest and penalties.

MOTOR VEHICLE FUEL TAXES

TABLE 26—DIESEL FUEL AND LIQUEFIED PETROLEUM GASES STATISTICS, 1937–40 TO 1988–89

Fiscal year	Taxable distributions (in thousands of gallons)	Total tax[a] (in thousands)	Self-assessed taxes (in thousands)		Active permits on December 31		Tax paid at reduced rate by transit districts (in thousands)[c]
	Diesel		Diesel	LPG[b]	Users	Vendors	
1	2	3	4	5	6	7	8
1988–89	1,788,790	$157,785	$152,992	$2,419	82,830	3,173	$1,000
1987–88	1,760,684	154,615	148,332	2,929	80,289	3,242	1,266
1986–87	1,667,829	146,962	141,997	2,261	76,159	3,286	1,013
1985–86	1,525,237	134,964	130,297	2,699	72,745	3,318	872
1984–85	1,466,586	129,733	125,685	2,988	68,153	3,233	788
1983–84	1,424,584	125,986	121,711	3,020	58,526	3,109	813
1982–83	1,257,607	97,834	94,059[d]	3,053	56,315	2,969	748
1981–82	1,185,620	81,773	78,206	3,028	54,615	2,738	783
1980–81	1,179,810	81,769	78,635	2,749	50,870	2,461	659
1979–80	1,162,560	80,144	77,557	2,184	46,324	2,132	637
1978–79	1,104,046	75,530	73,545	1,611	42,971	1,916	624
1977–78	987,855	67,764	65,715	1,658	44,739	1,813	553
1976–77	915,481	63,121	60,921	1,699	43,718	1,724	527
1975–76	827,487	56,857	55,263	1,448	42,988	1,714	507
1974–75	753,064	50,741	50,314	205	39,711	1,670	395
1973–74	770,854	52,164	51,667	289	36,493	1,627	382
1972–73	735,380	49,841	49,351	290	32,011	1,551	354
1971–72	674,292	45,981	45,155	599	28,967	1,507	330
1970–71	615,887	42,151	41,028	814	25,878	1,455	338
1969–70	579,903	40,496	39,511[e]	755	23,851	1,387	320
1968–69	543,083	37,612	36,597[e]	774	22,430	1,376	312[f]
1967–68	477,249	34,375	33,407	814	20,843	1,360	—
1966–67	435,900	31,480	30,513	829	19,507	1,315	—
1965–66	419,286	31,214	30,054[g]	1,028[g,h]	18,038	1,256	—
1964–65	387,014	29,465	28,098[g]	1,211[g]	17,391	1,216	—
1963–64	358,995	26,532	25,129	1,274[i]	16,238	1,217	—
1962–63	328,716	24,323	23,010	1,187	15,385	1,203	—
1961–62	306,689	22,871	21,468	1,291	14,670	1,195	—
1960–61	286,429	21,619	20,050	1,446	13,488	1,206	—
1959–60	280,157	20,837	19,609	1,094[j]	12,451	1,109	—
1958–59	267,247	18,812	18,694	—	10,192	801	—
1957–58	246,711	17,454	17,270	—	9,807	773	—
1956–57	237,481	16,826	16,624	—	9,530	862	—
1955–56	226,448	16,018	15,850	—	8,877	825	—
1954–55	202,406	14,323	14,172	—	8,182	853	—
1953–54	183,043	12,873	12,738[k]	—	7,441	751[l]	—
1952–53	174,026	7,946	7,831	—	6,197	—	—
1951–52	150,683	6,885	6,780	—	5,166	—	—
1950–51	131,562	6,023	5,920	—	4,244	—	—
1945–50	406,708	16,527	16,238[m]	—	2,610	—	—
1940–45	205,397	6,235	6,162	—	1,051	—	—
1937–40	38,625	1,178	1,159[n]	—	n.a.	—	—

[a] Includes interest and penalties which amounted to $2,126,000 during the 1988–89 fiscal year. This revenue is on an accrual basis and therefore differs from the number in Table 2 which is on a cash basis.

[b] Beginning in December 1975, LPG users were allowed to pay tax on a flat rate basis. This precludes computing LPG gallonage. Flat rate payments totaled $568,000 during 1987–88, 23.5 percent of LPG taxes.

[c] These amounts are also included in columns 3 and 4.

[d] Effective January 1, 1983, the tax rate on diesel was increased from 7 cents to 9 cents per gallon.

[e] A special one-cent levy was in effect from June 1, 1969 through August 31, 1969 to raise funds to repair and restore storm- and flood-damaged roads. This levy raised $450,000 from distributions during the 1968–69 fiscal year and $837,000 during the 1969–70 fiscal year.

[f] Effective July 1, 1968, the tax rate on most fuel consumed by municipal transit districts was reduced to one cent per gallon.

[g] A special one-cent levy was in effect from April 1, 1965 through August 31, 1965 to raise funds to repair and restore storm- and flood-damaged roads. This levy raised a total of $1,786,000.

[h] Effective January 1, 1966, the tax rate on liquefied petroleum gases was decreased from 7 cents to 6 cents per gallon.

[i] Effective October 1, 1963, the tax rate on liquefied petroleum gases was increased from 6 cents to 7 cents per gallon.

[j] Effective October 1, 1959, users and vendors of liquefied petroleum gases were required to report under the Use Fuel Tax Law. Prior to this date, they reported under the Motor Vehicle Fuel License Tax Law.

[k] Effective July 1, 1953, the tax rate on diesel fuel was increased from 4½ cents to 7 cents per gallon.

[l] Effective September 9, 1953, vendors of use fuel were authorized to collect the use fuel tax.

[m] Effective July 1, 1947, the tax rate on diesel fuel was increased from 3 cents to 4½ cents per gallon.

[n] This tax became effective July 1, 1937 at a rate of 3 cents per gallon on diesel and other fuels not subject to the motor vehicle fuel tax.

n.a. Not available.

ALCOHOLIC BEVERAGE TAX

TABLE 27—BEER, WINE, AND DISTILLED SPIRITS EXCISE TAX COLLECTIONS, 1932–35 TO 1988–89 [a]
(In thousands of dollars)

		Wine				
		Still wines				
Fiscal year	Beer	14 percent alcohol or less	Over 14 percent alcohol	Champagne and sparkling wines	Distilled spirits	Total
1	2	3	4	5	6	7
1988–89	$26,835	$922	$171	$2,901	$96,566	$127,395
1987–88	26,182	1,074	177	2,961	97,847	128,241
1986–87	25,653	1,084	180	3,180	100,265	130,362 [b]
1985–86	25,667 [r]	1,114	165	3,447	102,097	132,490
1984–85	25,146	1,017	156	3,243	105,497	135,059
1983–84	25,017	981	162	3,201	107,128	136,489
1982–83	24,043	957	168	2,742	108,786	136,696
1981–82	24,644	928	167	2,470	112,146	140,355
1980–81	24,707	899	167	2,293	114,999	143,065
1979–80	23,300	836	175	1,973	113,311	139,596
1978–79	22,367	815	190	1,853	113,329	138,554
1977–78	20,951	755	210	1,643	111,194	134,753
1976–77	19,945	690	212	1,394	105,468	127,708
1975–76	18,616	660	229	1,339	105,411	126,255
1974–75	18,057	605	231	1,219	101,447	121,559
1973–74	16,830	578	232	1,291	100,417	119,348
1972–73	15,782	559	264	1,326	96,755	114,686
1971–72	15,261	486	275	1,301	94,809	112,132
1970–71	13,847	444	252	1,273	90,780	106,606
1969–70	14,451	386	272	1,024	89,832	105,965
1968–69	12,743	316	286	785	85,546	99,676
1967–68	11,954	281	291	716	78,810 [c]	92,052
1966–67	12,508	247	306	632	59,607	73,300
1965–66	11,629	235	320	537	57,438	70,159
1964–65	11,764	218	323	489	54,152	66,946
1963–64	10,148	203	337	405	50,703	61,796
1962–63	9,981	187	333	332	47,989	58,822
1961–62	9,44[illegible]	169	345	313	45,283	55,552
1960–61	9,093	159	352	274	42,148	52,026
1959–60	9,316 [d]	138	346	269	40,406	50,475
1958–59	4,392	115	353	206	37,329	42,395
1957–58	4,046	109	351	189	34,230	38,925
1956–57	3,847	105	331	181	34,784	39,248
1955–56	3,803	104	326	151 [e]	31,518 [f]	35,902
1954–55	3,656	94	317	117	16,710	20,894
1953–54	3,477	90	330	102	15,715	19,714
1952–53	3,621	80	317	96	15,657	19,771
1951–52	3,315	74	279	81	14,436	18,185
1950–51	3,363	73	273	97	16,018	19,824
1945–50	16,105	289	1,360	392	72,011	90,157
1940–45	11,516	351	1,217	268	62,806	76,158
1935–40	7,823	220 [g]	1,606 [h]	91 [i]	40,276 [j]	50,016
1932–35 [k]	2,397	—	479 [l]	—	—	2,876

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[a] Collections are on an accrual basis and therefore differ from those in Table 2 which are on a cash basis.

[b] In previous reports this footnote presented detail on collections based on audits along with refunds and interest and penalties. Such detail is no longer available.

[c] Effective August 16, 1967, the tax rate was increased from $1.50 to $2.00 per gallon. Receipts from the 50-cent floor tax are not included; these amounted to $3,009,778.

[d] Effective July 1, 1959, the tax rate was increased from 2 cents to 4 cents per gallon. Receipts from the 2-cent floor tax are not included; these amounted to $369,170.

[e] Effective July 1, 1955, the tax on champagne and sparkling wines was changed from 1.5 cents per half-pint or fraction thereof to 30 cents per gallon. This revision eliminated inequities in the tax and provided a uniform tax rate; it was not considered to be a tax rate increase.

[f] Effective July 1, 1955, the tax rate was increased from 80 cents to $1.50 per gallon. Receipts from the 70-cent floor tax imposed at the time of the rate increase are not included; these amounted to $3,120,882.

[g] The tax on natural dry wines was reduced from 2 cents to 1 cent per gallon effective July 1, 1937.

[h] Still wines over 14 percent alcohol include still wines of 14 percent alcohol or less through 1936–37 because their tax rates were the same and they were not reported separately.

[i] Beginning July 1, 1935, tax on sparkling wine and champagne was imposed at 3 cents per pint.

[j] The excise tax on distilled spirits was first imposed July 1, 1935 at a rate of 80 cents per gallon.

[k] The alcoholic beverage tax was first effective April 6, 1933 at a rate of 2 cents per gallon on beer and wine.

[l] Includes all types of wines. The tax rate was 2 cents per gallon on all wine and the different types were not reported separately.

ALCOHOLIC BEVERAGE TAX

TABLE 28—APPARENT CONSUMPTION [a] OF BEER, WINES AND DISTILLED SPIRITS BY FISCAL YEAR, 1935–40 TO 1988–89

(In thousands of gallons)

Fiscal year	Beer [b]	Wine				Distilled spirits
		Still wines		Champagne and sparkling wines	Total wine consumption	
		14 percent alcohol or less	Over 14 percent alcohol			
1	2	3	4	5	6	7
1988–89	669,662	91,381	8,445	9,678	109,504	48,004
1987–88	650,286	107,267	8,862	9,871	126,000	48,886
1986–87	664,051	108,442	8,991	10,599	128,032	50,132
1985–86	634,915	111,358	8,245	11,489	131,191	51,048
1984–85	626,426	101,671	7,821	10,809	120,301	52,748
1983–84	623,174	98,131	8,099	10,670	116,900	53,564
1982–83	598,790	95,718	8,416	9,141	113,275	54,393
1981–82	610,873	92,815	8,374	8,232	109,421	56,073
1980–81	610,689	89,931	8,339	7,642	105,912	57,500
1979–80	576,951	83,621	8,745	6,577	98,943	56,656
1978–79	564,280	81,495	9,507	6,175	97,177	56,665
1977–78	528,724	75,538	10,489	5,475	91,502	55,597
1976–77	506,034	68,985	10,599	4,647	84,231	52,734
1975–76	471,996	65,988	11,458	4,463	81,909	52,705
1974–75	460,592	60,543	11,551	4,063	76,157	50,724
1973–74	431,001	57,761	11,591	4,304	73,656	50,208
1972–73	404,900	55,949	13,207	4,419	73,575	48,377
1971–72	395,645	48,555	13,768	4,337	66,660	47,405
1970–71	356,738	44,392	13,119	4,244	61,755	45,390
1969–70	373,129	38,568	13,584	3,412	55,564	44,916
1968–69	328,976	31,650	14,317	2,616	48,583	42,773
1967–68	308,936	28,103	14,543	2,386	45,032	40,629
1966–67	321,765	24,713	15,320	2,107	42,140	39,738
1965–66	298,711	23,509	15,990	1,791	41,290	38,292
1964–65	300,835	21,790	16,131	1,629	39,550	36,102
1963–64	261,145	20,312	16,848	1,350	38,510	33,802
1962–63	256,151	18,668	16,661	1,106	36,435	31,993
1961–62	242,761	16,851	17,239	1,044	35,134	30,189
1960–61	232,962	15,861	17,602	913	34,376	28,098
1959–60	238,120	13,761	17,299	898	31,958	26,937
1958–59	224,657	11,547	17,631	688	29,866	24,886
1957–58	207,021	10,901	17,555	630	29,086	22,820
1956–57	196,151	10,460	16,570	605	27,635	23,189
1955–56	192,973	10,447	16,324	502	27,273	21,012
1954–55	185,388	9,394	15,826	390	25,610	20,887
1953–54	177,629	8,987	16,507	396	25,890	19,644
1952–53	184,657	8,041	15,833	401	24,275	19,572
1951–52	168,847	7,431	13,969	336	21,736	18,045
1950–51	167,439	7,271	13,674	405	21,350	20,022
1945–50	801,657	29,022	67,996	1,625	98,643	90,014
1940–45	573,369	35,000	61,130	1,009	97,139	78,507
1935–40	387,414	37,121	65,264	683	103,068	50,345

[a] Figures in this table represent taxable distributions compiled from monthly tax returns. Because the tax liability attaches at the time alcoholic beverages are sold by manufacturers, importers, or wholesalers, rather than at the time a retail sale is made or when the consumption occurs, they are referred to as "apparent" consumption figures rather than as "actual" consumption figures.

[b] Includes a relatively small amount of tax-exempt beer distributed to the armed forces subsequent to June 30, 1951. Prior to July 1951, such distributions were taxable. Effective January 1, 1980, distributions of beer for the armed forces became subject to the state's excise tax when purchased from California suppliers.

ALCOHOLIC BEVERAGE TAX

TABLE 29—PER CAPITA CONSUMPTION [a] OF BEER, WINES, AND DISTILLED SPIRITS BY FISCAL YEAR, 1935–36 TO 1988–89

(Consumption in gallons)

Fiscal year	Population [b]	Per capita consumption		
		Beer [c]	Wines	Distilled spirits
1	2	3	4	5
1988–89	28,662,000	23.36	3.82	1.67
1987–88	27,996,000 [r]	23.23 [r]	4.50	1.75 [r]
1986–87	27,338,000	24.29	4.68	1.83
1985–86	26,687,500	23.79	4.92	1.91
1984–85	26,079,000	24.02	4.61	2.02
1983–84	25,414,000	24.52	4.60	2.11
1982–83	24,944,700	24.00	4.54	2.18
1981–82	24,469,500	24.96	4.47	2.29
1980–81	23,992,900	25.45	4.41	2.40
1979–80	23,534,000	24.52	4.20	2.41
1978–79	23,072,000	24.46	4.21	2.46
1977–78	22,610,000	23.38	4.05	2.46
1976–77	22,164,000	22.83	3.80	2.38
1975–76	21,756,000	21.70	3.76	2.42
1974–75	21,374,000	21.55	3.56	2.37
1973–74	21,036,000	20.49	3.50	2.39
1972–73	20,737,000	19.53	3.55	2.33
1971–72	20,470,000	19.33	3.26	2.32
1970–71	20,193,000	17.67	3.06	2.25
1969–70	19,922,000	18.73	2.79	2.25
1968–69	19,664,000	16.73	2.47	2.18
1967–68	19,372,000	15.95	2.32	2.10
1966–67	19,041,000	16.90	2.21	2.09
1965–66	18,670,000	16.00	2.21	2.05
1964–65	18,255,000	16.48	2.17	1.96
1963–64	17,768,000	14.70	2.17	1.90
1962–63	17,211,000	14.88	2.12	1.86
1961–62	16,636,000	14.59	2.11	1.81
1960–61	16,114,000	14.46	2.13	1.74
1955–56	13,292,000	14.52	2.05	1.58
1950–51	10,886,000	15.38	1.96	1.84
1945–46	9,452,000	16.86	2.13	2.37
1940–41	7,094,000	10.71	2.51	1.60
1935–36	6,258,000	11.63	3.39	1.46

[a] Based on taxable distributions compiled from monthly tax returns.
[b] Population used is for January 1 of each fiscal year.
[c] Includes tax-exempt beer sold to the armed forces; see Table 28 footnote b.
[r] Revised.

CIGARETTE TAX

TABLE 30A—CIGARETTE TAX AND OTHER TOBACCO PRODUCTS SURTAX REVENUE, 1959–60 TO 1988–89

(In thousands of dollars)

	Cigarette tax					
Fiscal year	Revenue [a]	Distributors' discounts [b]	Gross value of tax indicia [c]	Refunds	Amount set aside for cities and counties	Other tobacco products surtax revenue
1	2	3	4	5	6	7
1988–89	$499,712 [j]	$4,273	$503,984	$4,968	$69,267	$9,994 [j]
1987–88	254,869	2,180	257,049	2,970	75,172	
1986–87	257,337	2,202	259,539	2,661	75,609	
1985–86	260,960	2,231	263,190	2,834	77,443	
1984–85	265,070	2,267	267,337	2,390	78,861	
1983–84	265,265	2,267	267,532	2,756	78,969	
1982–83	273,748	2,336	276,084	2,060	81,486	
1981–82	278,667	2,383	281,050	1,843	83,047	
1980–81	280,087	2,395	282,482	1,567	82,465	
1979–80	272,145	2,301	274,446	1,645	81,616	
1978–79	270,658	2,315	272,973	1,408	80,645	
1977–78	275,042	2,352	277,394	1,239	82,231	
1976–77	270,502	2,315	272,817	832	80,815	
1975–76	269,852	2,309	272,161	927	80,583	
1974–75	264,182	2,262	266,444	745	78,593	
1973–74	259,738	2,222	261,960	632	77,676	
1972–73	253,089	2,167	255,256	626	76,081	
1971–72	248,398	2,127	250,525	677	73,904	
1970–71	240,372	2,058	242,430	552	71,764	
1969–70	237,220	2,032	239,253	455	70,762	
1968–69	238,836	2,046	240,882	492	71,140	
1967–68	208,125 [d,e]	1,862	209,987	328	52,069 [d]	
1966–67	75,659	1,543	77,202	129	—	
1965–66	74,880	1,528	76,407	88	—	
1964–65	74,487	1,520	76,007	61	—	
1963–64	71,530	1,459	72,989	71	—	
1962–63	70,829	1,445	72,274	79	—	
1961–62	68,203	1,390	69,593	47	—	
1960–61	66,051 [g]	1,675 [f]	67,726	76	—	
1959–60	61,791 [h]	767 [i]	62,558	67	—	

[a] Net of refunds for tax indicia on cigarettes that become unfit for use. (See column 5).

[b] A discount of .85 percent of gross value of tax indicia is granted to distributors for affixing the stamps. From July 1, 1960 until August 1, 1967 the discount rate was 2%.

[c] Effective July 16, 1961, distributors have been able to purchase tax indicia on credit. On June 30, 1988, this amounted to $18,000,733 and on June 30, 1989, it amounted to $54,521,823.

[d] Effective August 1, 1967, the tax rate was increased from 3¢ to 7¢ per pack. On October 1, 1967 the rate was further increased to 10¢ per pack, with the stipulation that 30% of the tax be allocated to cities and counties.

[e] Includes $6,515,209 from the 4¢ per pack floor stocks tax levied on August 1, 1967; and $4,839,485 from the 3¢ per pack floor stocks tax imposed October 1, 1967.

[f] Effective July 1, 1960, a discount was allowed at the time tax indicia were purchased.

[g] Refunds made for distributors' discounts in the 1960–61 fiscal year on purchases made in the 1959–60 fiscal year have been deducted. These refunds amounted to $324,000.

[h] Includes $2,673,048 from the 3¢ per pack floor stocks tax imposed July 1, 1959; and also includes the amount of distributors' discounts which were refunded after purchase of indicia.

[i] During July and August of 1959 the tax was collected by invoice and no discount was allowed on these collections of $8,123,700, nor on the $2,673,048 tax on floor stocks.

[j] Effective January 1, 1989, an additional 25 cents per pack surtax was imposed on cigarettes and a new 42 percent surtax was imposed on other tobacco products. Excludes $57,927,856 from the floor stocks tax levied on January 1, 1989.

n.a. Not available.

CIGARETTE TAX

TABLE 30B—CIGARETTE DISTRIBUTIONS AND PER CAPITA CONSUMPTION, 1959–60 TO 1988–89

Fiscal year	Distributions (millions of packages)			Per capita consumption (in packages) [a]
	Total	Tax paid	Tax exempt	
1	2	3	4	5
1988–89	2,431	2,353	78	84.8
1987–88	2,657	2,570	87	94.9
1986–87	2,690	2,595	95	98.4
1985–86	2,730	2,632	98	102.3
1984–85	2,781	2,673	108	106.7
1983–84	2,792	2,675	117	109.9
1982–83	2,889	2,761	128	115.8
1981–82	2,947	2,811	136	120.4
1980–81	2,966	2,825	141	123.6
1979–80	2,892	2,744	148	122.9
1978–79	2,887	2,730	157	125.1
1977–78	2,940	2,774	166	130.0
1976–77	2,900	2,728	172	130.9
1975–76	2,909	2,722	187	133.7
1974–75	2,857	2,664	193	133.7
1973–74	2,827	2,620	207	134.4
1972–73	2,762	2,553	209	133.2
1971–72	2,720	2,505	215	132.9
1970–71	2,635	2,424	211	130.5
1969–70	2,594	2,393	201	130.2
1968–69	2,616	2,409	207	133.0
1967–68	2,596	2,383	213	134.0
1966–67	2,737	2,573	164	143.8
1965–66	2,706	2,547	159	144.9
1964–65	2,679	2,534	145	146.7
1963–64	2,564	2,433	131	144.3
1962–63	2,545	2,409	136	147.9
1961–62	2,450	2,320	130	147.3
1960–61	2,382	2,258	124	147.8
1959–60	2,190	2,085	105	139.7

[a] Based on latest estimate of January 1 population for each fiscal year.

TABLE 31—1988 TAXABLE INSURANCE PREMIUMS AND TOTAL TAXES ASSESSED IN 1989, BY COMPANY

Name of company 1	Taxable premiums (in thousands) 2	Total tax assessed 3
FIRE AND CASUALTY INSURERS		
Aetna Casualty and Surety (The)	$540,079	$12,691,847
All West Insurance Company	116,229	2,731,390
Allstate Indemnity Company	99,184	2,330,820
Allstate Insurance Company	1,564,449	36,764,548
American Home Assurance Company	113,533	2,668,014
American Motorists Insurance Company	209,164	4,915,357
American National Fire Insurance Company	105,100	2,469,841
American Road Insurance Company (The)	101,942	2,395,643
American States Insurance Company	117,781	2,767,846
Argonaut Insurance Company	100,594	2,363,949
Associated Indemnity Corporation	165,034	3,878,295
CalFarm Insurance Company	140,944	3,312,176
California Casualty Indemnity Exchange (The)	133,313	3,132,867
California State Automobile Association Inter-Insurance Bureau	1,095,663	25,748,088
Central-National Insurance Company	169,203	3,976,268
Continental Casualty Company	123,527	2,902,877
Continental Insurance Company (The)	227,647	5,349,716
Employers Insurance of Wausau, A Mutual Company	137,164	3,223,353
Fairmont Insurance Company	193,584	4,549,221
Farmers Insurance Exchange	1,066,598	25,065,054
Federal Insurance Company	288,184	6,772,325
Fire Insurance Exchange	343,945	8,082,705
Fireman's Fund Insurance Company	577,681	13,575,496
Fremont Compensation Insurance Company	185,182	4,351,766
Golden Eagle Insurance Company	209,385	4,920,538
Government Employees Insurance Company	109,885	2,582,298
Hartford Accident and Indemnity Company	304,272	7,150,382
Hartford Underwriters Insurance Company	124,683	2,930,049
Home Indemnity Company (The)	117,426	2,759,516
Home Insurance Company (The)	122,409	2,876,614
Industrial Indemnity Company	545,186	12,811,877
Insurance Company of North America	306,520	7,203,220
Inter-Insurance Exchange of the Automobile Club of Southern California	766,242	18,006,692
Liberty Mutual Fire Insurance Company	423,488	9,951,976
Liberty Mutual Insurance Company	137,510	3,231,492
Mercury Casualty Company	333,684	7,841,563
Mercury Insurance Company	102,575	2,410,521
Mid-Century Insurance Company	395,177	9,286,661
National Surety Corporation	170,893	4,015,991
National Union Fire Insurance Company of Pittsburgh, Pennsylvania	748,375	17,586,809
Nationwide Mutual Insurance Company	221,789	5,969,413
Pacific Employers Insurance Company	228,129	5,361,039
Pacific Indemnity Company	99,699	2,342,927
Progressive Casualty Insurance Company	212,379	5,286,003
Republic Indemnity Company of America	216,493	5,087,582
Royal Insurance Company of America	139,904	3,287,733
SAFECO Insurance Company of America	277,742	6,526,932
Southern California Physicians Insurance Exchange	124,125	2,916,931
State Compensation Insurance Fund	1,503,931	35,342,373
State Farm Fire and Casualty Company	1,116,915	26,247,495
State Farm Mutual Automobile Insurance Company	1,884,405	44,283,522
Transamerica Insurance Company	246,575	5,794,517
Transportation Insurance Company	188,752	4,435,667
Travelers Indemnity Company (The)	195,192	4,587,004
Travelers Indemnity Company of Illinois (The)	192,877	4,532,614
Truck Insurance Exchange	632,611	14,866,369
Twentieth Century Insurance Company	593,854	13,955,559
United Pacific Insurance Company	121,967	2,866,219
United Services Automobile Association	290,215	6,820,055
United States Fidelity and Guaranty Company	139,536	3,279,086
USAA Casualty Insurance Company	106,405	2,500,513
West American Insurance Company	198,856	4,673,119
Zenith Insurance Company	163,533	3,843,019
549 other fire and casualty insurers [a]	8,676,498	205,966,239
Totals for fire and casualty insurers	$30,605,816	$722,357,592

[a] Each having a total tax of less than $2,300,000.

INSURANCE TAX

TABLE 31—1988 TAXABLE INSURANCE PREMIUMS AND TOTAL TAXES ASSESSED IN 1989, BY COMPANY—Concluded

Name of company	Taxable premiums (in thousands)	Total tax assessed
1	2	3
LIFE INSURERS		
Aetna Life Insurance Company	$474,026	$10,265,176
Allstate Life Insurance Company	238,718	5,224,340
American General Group Insurance Company	93,844	2,362,267
American General Group Insurance Company of California	73,122	1,718,362
American National Insurance Company	66,384	1,920,751
AMEX Life Assurance Company	91,428	2,147,319
CalFarm Life Insurance Company	58,085	1,405,850
Connecticut General Life Insurance Company	487,641	11,326,173
Connecticut Mutual Life Insurance Company (The)	79,667	1,801,011
Continential Assurance Company	105,312	2,612,197
Crown Life Insurnace Company	98,473	2,307,408
Employers Health Insurance Company	84,740	1,991,385
Equitable Life Assurance Society of the United States (The)	296,976	5,906,983
Equitable Variable Life Insurance Company	86,471	1,977,367
Executive Life Insurance Company	202,559	4,160,388
Family Life Insurance Company	95,431	1,990,947
Farmers New World Life Insurance Company	87,276	1,954,133
Fidelity and Guaranty Life Insurance Company	75,581	1,763,053
First Farwest Life Insurance Company	149,167	3,505,425
General American Life Insurance Company	161,313	3,596,072
Great Republic Insurance Company	67,790	1,593,070
Great-West Life Assurance Company (The)	92,841	2,094,459
Guardian Life Insurance Company of America (The)	116,113	2,669,640
Jackson National Life Insurance Company	172,832	4,017,770
John Hancock Mutual Life Insurance Company	191,907	4,060,194
Life Insurance Company of North America	62,140	1,444,512
Lincoln National Life Insurance Company (The)	177,919	4,178,926
Manufacturers Life Insurance Company (The)	147,210	3,519,989
Massachusetts Indemnity and Life Insurance Company	140,817	3,309,207
Massachusetts Mutual Life Insurance Company	191,489	4,459,312
Metropolitan Life Insurance Company	502,932	11,260,544
Mutual Benefit Life Insurance Company (The)	105,923	2,381,863
Mutual Life Insurance Company of New York (The)	125,607	2,900,308
Mutual of Omaha Insurance Company	81,958	1,926,017
New England Mutual Life Insurance Company	81,558	1,687,558
New York Life Insurance Company	582,512	12,961,449
NN Investors Life Insurance Company, Inc.	62,760	1,469,809
Northwestern Mutual Life Insurance Company (The)	160,846	3,481,336
Northwestern National Life Insurance Company	88,965	2,072,107
Pacific Mutual Life Insurance Company	391,269	8,648,370
Pacific Standard Life Insurance Company	60,944	1,432,189
Principal Mutual Life Insurnce Company	305,863	6,759,505
Provident Life and Accident Insurance Company	355,550	8,347,089
Pruco Life Insurance Company	128,734	2,995,367
Prudential Insurance Company of America (The)	1,171,318	20,460,677
Sovereign Life Insurance Company of California	64,921	1,525,636
Standard Insurance Company	98,043	2,276,414
State Farm Life Insurance Company	103,586	2,136,047
Transamerica Occidential Life Insurance Company	243,827	4,722,329
Travelers Insurance Company (The)	500,194	10,844,084
Union Labor Life Insurance Company (The)	97,735	2,294,202
United American Insurance Company	75,951	1,784,839
United Insurance Company of America	70,241	1,650,658
United of Omaha Life Insurance Company	101,421	2,250,642
UNUM Life Insurance Company of America	106,284	2,496,029
Washington National Insurance Company	79,426	1,844,832
528 other life insurers [b]	4,841,325	108,864,007
Totals for life insurers	$15,056,965	$332,757,594 [c]
Totals for fire and casualty insurers	30,605,816	722,357,592 [c]
Totals for title insurers	501,364	11,817,895 [c]
Totals for all insurers	$46,164,145	$1,066,933,081

[b] Each having a total tax of less than $1,400,000.

[c] Retaliatory taxes of $3,120,928 for fire and casualty insurers, $2,664,250 for life insurers, and $35,890 for title insurers have been included in the assessments by company.

INSURANCE TAX

TABLE 32—SUMMARY OF INSURANCE TAXES ASSESSED IN 1988 AND 1989 AGAINST COMPANIES AUTHORIZED TO DO BUSINESS IN CALIFORNIA, BY TYPE OF INSURER [a]

Type of insurer	Assessments on 1987 business		Assessments on 1988 business		Percent change in assessments
	Number	Amount	Number	Amount	
1	2	3	4	5	6
Fire and casualty	790	$677,965,159	811	$722,357,592	6.5%
Life	720	318,274,299	702	332,757,594	4.6
Title	24	12,872,015	24	11,817,895	−8.2
Subtotals	1,534 [b]	1,009,111,473 [b]	1,537 [c]	1,066,933,081 [c]	5.7
Ocean marine	53	215,150	79	236,775	10.1
Totals	1,587	$1,009,326,623	1,616	$1,067,169,856	5.7%
Adjustments:					
Deficiency assessments	244 [d]	80,211,280 [d]	202 [e]	32,529,807 [e]	—
Refunds and cancellations	9	151,883	182	14,945,206	—
Net adjustments	253	80,059,397	384	17,584,601	—
Grand totals	1,840	$1,089,386,019	2,000	$1,084,754,457	−0.4%

[a] Includes self-assessments and board assessments against companies licensed to write insurance on California risks.

[b] Includes 181 returns that reported no premiums liability and 156 retaliatory tax assessments totaling $5,407,513.

[c] Includes 214 returns that reported no premiums liability and 111 retaliatory tax assessments totaling $5,821,068.

[d] Includes 131 assessments by the State Controller in the amount of $668,874.

[e] Includes 140 assessments by the State Controller in the amount of $2,401,443.

INSURANCE TAX

TABLE 33—INSURANCE TAX ASSESSMENTS AGAINST LICENSED INSURERS, TAX RATE, TAXES ON PREMIUMS, LOCAL PROPERTY TAX CREDITS ALLOWED, TAXES ON OCEAN MARINE BUSINESS, AND TOTAL TAXES ASSESSED, 1911–15 TO 1989 [a]

Year of assessment 1	Number of assessments [b] 2	Gross premiums tax rate (percent) 3	Taxes assessed on premiums [c] 4	Local property tax credits allowed 5	Taxes assessed on underwriting profits: ocean marine [d] 6	Total taxes assessed 7
1989	1,291 [e]	2.35	$1,084,517,682	—	$236,775	$1,084,754,457
1988	1,250	2.35	1,089,170,869	—	215,150	1,089,386,019
1987	1,207	2.35	919,530,274	—	153,794	919,684,068
1986	1,196	2.33	798,065,972	—	149,821	798,215,793
1985	1,182	2.33	655,697,936	—	85,824	655,783,760
1984	1,174	2.33	584,542,259 [f]	—	66,928	584,609,187
1983	1,144	2.33	460,219,302 [g]	—	183,981	460,403,283
1982	1,106	2.35	472,705,232	—	225,083	472,930,315
1981	1,064	2.35	448,622,737	—	145,962	448,768,699
1980	1,065	2.35	429,479,576	—	100,375	429,579,951
1979	1,038	2.35	396,871,905	—	144,456	397,016,361
1978	1,008	2.35	363,665,780	—	74,843	363,740,623
1977	984	2.35	299,712,880	— [h]	37,018	299,749,898
1976	967	2.35	248,537,130	$17,840,567	23,124	230,719,687
1975	992	2.35	211,975,924	16,731,201	79,999	195,324,722
1974	1,010	2.35	209,787,954	16,160,417	165,802	193,793,339
1973	989	2.35	195,049,519	16,406,592	141,337	178,784,264
1972	977	2.35	174,529,967	13,918,775	88,938	160,700,130
1971	915	2.35	160,307,804	11,673,670	45,488	148,679,622
1970	894	2.35	141,892,452	9,785,420	25,209	132,132,241
1969	830	2.35	130,895,320	7,610,137	13,518	123,298,701
1968	787	2.33	119,132,434	6,314,488	9,791	112,827,737
1967	782	2.33	111,445,400	6,377,277	4,213	105,072,336
1966	791	2.33	105,050,308	6,239,578	10,763	98,821,493
1965	833	2.33	97,782,471	5,601,383	24,785	92,205,873
1964	826	2.35	90,473,809 [i]	4,979,745	38,516	85,532,580 [i]
1963	815	2.35	82,521,529	4,766,754	44,475	77,799,250
1962	809	2.35	75,504,917	4,291,305	42,206	71,255,818
1961	767	2.35	71,235,283	3,854,507	39,688	67,420,464
1960	736	2.35	65,169,948	3,341,844	20,307	61,848,411
1959	711	2.35	58,377,347	3,153,605	13,601	55,237,343
1958	716	2.35	53,461,244	2,714,160	19,843	50,766,927
1957	728 [j]	2.35	48,365,723	2,278,623	54,234	46,141,334
1956	828	2.35	44,476,726	2,026,931	83,296	42,533,091
1951–55	3,971	2.35	173,274,339 [k]	7,373,849	488,856	166,389,346 [k]
1946–50	3,790	[l]	101,734,147	4,178,399	454,383	98,010,131
1941–45	3,400	[l]	58,111,232	5,777,662	139,007	52,472,577
1936–40	3,405	2.60	44,427,176	8,395,968	59,270	36,090,478
1931–35	3,128	2.60	34,850,689	3,342,794	87,173	31,595,068
1926–30	2,834	2.60	33,143,423	3,031,155	—	30,112,268
1921–25	2,129	2.60	20,170,810	1,460,622	—	18,710,188
1916–20	1,664	2.00	7,257,013	272,834	—	6,984,179
1911–15	1,490	[m]	3,893,525	169,848	—	3,723,677

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[a] Excludes assessments against insurance companies not licensed by the State to write insurance on California risks.

[b] Includes only annual premiums tax assessments showing tax liability and ocean marine assessments.

[c] Includes retaliatory assessments (except for the period from 1945, when the retaliatory tax law was repealed, through 1959 when the law was reestablished), penalties for late filing or nonfiling of returns, and adjustments of prior year taxes.

[d] Includes penalties for late filing or nonfiling of returns. By constitutional amendment adopted in 1930, ocean marine insurance was removed from the scope of the gross premiums tax and subjected to 5 percent tax on underwriting profits.

[e] Defined in footnote b. In addition there were 111 retaliatory tax assessments and 214 returns that showed no tax liability of which all were for life, casualty and title insurers, and none for ocean marine insurers.

[f] Includes $43,872,613 in 1984 and $50,262,105 in 1985 assessed against claim payments made under "Mini-Met" type minimum premium payment group health and welfare plans. The State Supreme Court found these payments to be subject to the gross premiums tax.

[g] Refunds granted by court decision in the amount of $31,299,011 for the principal office deduction for the year 1976 have been deducted.

[h] This tax credit on the home or principal office in California was eliminated by proposition 6 which was approved by the voters on June 8, 1976; see Chapter 938, Statutes of 1975.

[i] Excludes $22,859,004, which represents the prepayments the companies assessed themselves, computed at the rate of 2.33 percent on the premiums written in the first quarter of 1964.

[j] Beginning in 1957, life insurance companies writing disability insurance were assessed only once. In all prior years such companies were assessed twice; one assessment covered their life insurance and annuity policies, and one covered their disability insurance business. In 1956 there were 93 such companies.

[k] Beginning in 1952, the State Compensation Insurance Fund became subject to assessment by the Board.

[l] The tax rate declined by .05 percent per year from 2.60 percent in 1943 to 2.35 percent in 1948. The decrease was intended to compensate for a gradual restriction of the real estate tax offset privilege. In the 1944 assessment, the maximum offset for taxes on real estate other than the principal office in the state was 75 percent of the company's 1940 offset on such property. The next year it was 55 percent; the next, 35 percent; then 15 percent. From 1948 on, only taxes on principal offices have been eligible for offset.

[m] The gross premium tax was first enacted in 1911 at a rate of 1.50 percent on premiums collected in 1910. The rate was raised to 1.75 percent in 1913 and 2.00 percent in 1915.

(ELECTRICAL) ENERGY RESOURCES SURCHARGE

TABLE 34—ENERGY RESOURCES SURCHARGE REVENUE, 1974–75 to 1988–89
(In thousands of dollars)

Fiscal year 1	Revenue 2
1988–89	$38,086
1987–88	36,942
1986–87	35,142
1985–86	34,824
1984–85	34,432
1983–84	32,131
1982–83	30,729
1981–82	30,994 [a]
1980–81	23,817 [b]
1979–80	19,022 [c]
1978–79	18,066 [d]
1977–78	17,670 [e]
1976–77	13,989
1975–76	13,250
1974–75	1,885 [f]

[a] Effective September 1, 1981, the tax rate was increased to $0.0002 per kilowatt hour, the maximum allowed under the law. The surcharge was permanently set at the maximum authorized rate in September 1982.

[b] Effective September 1, 1980, the tax rate was increased to $0.00016 per kilowatt hour from $0.00015. Effective March 1, 1981, the rate was increased to $0.00019.

[c] Effective September 1, 1979, the tax rate was increased to $0.00015 per kilowatt hour from $0.0001.

[d] Effective September 1, 1978, the tax rate was reduced to $0.0001 per kilowatt hour from $0.00014.

[e] Effective September 1, 1977, the tax rate was increased to $0.00015 per kilowatt hour from $0.0001. Effective March 1, 1978, the tax rate was reduced to $0.00014. Effective January 1, 1978, purchase of electrical energy from the United States government or its agencies used in California became subject to the surcharge.

[f] This tax became effective January 1, 1975 at a rate of $0.0001 per kilowatt hour on the consumption of electrical energy in California.

TELEPHONE TAXES

TABLE 35—EMERGENCY TELEPHONE USERS (911) SURCHARGE AND (MOORE) UNIVERSAL TELEPHONE SERVICE TAX REVENUE, 1978–79 TO 1988–89

(In thousands of dollars)

Fiscal year 1	Emergency telephone users surcharge [a] 2	Universal telephone service tax [b] 3
1988–89	$41,588	—
1987–88	40,529	$11,702 [d]
1986–87	40,985	42,627 [c]
1985–86	34,437	83,707
1984–85	30,178	57,637
1983–84	25,356	
1982–83	23,057	
1981–82	20,052	
1980–81	15,759	
1979–80	15,142	
1978–79	14,069	
1977–78	8,747	

[a] This tax became effective July 1, 1977 at the rate of 0.5 percent on the charges for intrastate telephone communication services. Every service supplier is required to collect the surcharge from the service user at the same time billings for services are collected.

[b] This tax became effective July 1, 1984 at a rate of 4 percent on the gross revenues received by each designated service supplier in California from intrastate telecommunications service.

[c] Effective July 1, 1986, the tax rate was reduced to 1.5 percent.

[d] Effective July 1, 1987, the tax rate was increased to 4 percent. Administration of this tax was transferred to the Public Utilities Commission effective July 16, 1987.

FEDERAL, STATE, AND LOCAL TAX COLLECTIONS

TABLE 36—FEDERAL, STATE, AND LOCAL TAX COLLECTIONS, 1950–51 TO 1988–89

(In thousands of dollars)

Fiscal year 1	Federal taxes [a] 2	State taxes other than disability insurance [b] 3	Local taxes and ad valorem assessments [c] 4	Total 5
1988–89	n.a.	$42,436,969	$20,160,266	n.a.
1987–88	n.a.	37,507,952 [r]	18,435,268 [r]	n.a.
1986–87	n.a.	37,150,402	16,786,547	n.a.
1985–86	n.a.	32,756,530	15,638,373	n.a.
1984–85	$85,348,500 [d]	31,191,916	14,325,179	$130,865,595 [d]
1983–84	76,623,643	27,546,937	12,972,704	117,143,284
1982–83	70,893,434	23,762,901	11,630,998	106,287,333
1981–82	71,541,870	23,081,477	10,527,278	105,150,625
1980–81	67,149,915	21,290,825	9,369,680	97,810,420
1979–80	58,873,061	20,558,664	8,525,000	87,956,725
1978–79	49,558,113	17,781,295	7,515,000	74,854,408
1977–78	42,772,775	16,266,712	12,791,000	71,830,487
1976–77	37,997,043 [e]	13,873,801	11,442,000	63,312,844
1975–76	28,091,997	11,661,724	10,093,000	49,846,721
1974–75	28,510,065	10,350,879	9,087,000	47,947,944
1973–74	24,959,348	8,503,309	8,141,345	41,604,002
1972–73	21,386,204	7,859,022	8,150,000	37,395,226
1971–72	18,962,545	7,086,506	7,325,000	33,374,051
1970–71	17,629,909	5,979,962	6,545,000	30,154,871
1969–70	18,596,235	5,851,911	5,789,464	30,237,610
1968–69	16,777,444	5,599,729	5,369,543	27,746,716
1967–68	15,455,808	5,090,195	4,787,145	25,333,148
1966–67	13,098,149	3,978,106	4,336,397	21,412,652
1965–66	11,085,100	3,889,945	3,896,042	18,871,087
1964–65	10,443,242	3,562,865	3,537,505	17,543,612
1963–64	10,534,708	3,369,236	3,247,449	17,151,393
1962–63	9,806,770	2,987,506	3,011,527	15,805,803
1961–62	9,091,751	2,673,724	2,769,131	14,534,606
1960–61	8,486,217	2,489,916	2,521,870	13,498,003
1959–60	7,997,711	2,364,532	2,306,318	12,668,561
1958–59	6,923,618	1,947,824	2,073,642	10,945,084
1957–58	6,753,950	1,786,026	1,856,780	10,396,756
1956–57	6,643,780	1,757,400	1,606,115	10,007,295
1955–56	6,008,419	1,654,153	1,400,489	9,063,061
1954–55	5,184,128	1,433,546	1,241,175	7,858,849
1953–54	5,356,963	1,339,870	1,121,205	7,818,038
1952–53	5,287,729	1,263,722	1,030,091	7,581,542
1951–52	4,645,285	1,214,772	933,783	6,793,840
1950–51	3,558,227	1,116,063	869,460	5,543,750

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[a] Includes the railroad employment compensation tax but excludes custom duties which are not classified as internal revenue.

[b] Unemployment insurance tax collections totaling $1,898,004,000 are included in the figure for 1988–89 but the State's unemployment compensation disability tax, on the other hand, which yielded $1,700,677,000 in the fiscal year, is excluded because it lacks one of the characteristics that most definitions require of a tax: it is not a "compulsory payment" since an approved private plan may be substituted for the state insurance financed by means of this levy.

[c] Includes (1) property taxes; (2) state-administered local sales and use taxes, whether distributed or withheld by the state as a service charge; (3) franchises; (4) business license taxes; (5) animal licenses; (6) bicycle licenses; and (7) ad valorem special assessments collected by county officials—levies which are extended against the assessed values of land and improvements (but not personal property) to finance activities which are supposed to confer benefits on each property owner of a value approximately equal to his share of the levy.

[d] Estimated.

[e] Beginning with 1976–77 the federal fiscal year runs from October 1, through September 30.

[r] Revised.

GENERAL INFORMATION

PUBLICATIONS OF THE
CALIFORNIA STATE BOARD OF EQUALIZATION

Copies of free Board of Equalization publications may be obtained at any of the Business Taxes field offices listed on page A-50. For information and prices on publications available at cost, write to the California State Board of Equalization, Forms Management Unit, 942879, Sacramento, CA 94279-0001.

PAMPHLETS AT NO CHARGE

No. 1	Sales and Use Tax Law
No. 2	Uniform Local Sales & Use Tax Law and Transactions & Use Tax Law
No. 3	Use Fuel Tax Law
No. 4	Cigarette Tax Law
No. 5	Alcoholic Beverage Tax Law
No. 6	Motor Vehicle Fuel License Tax Law
No. 7	Tax on Insurers Law
No. 8	Private Railroad Car Tax Law
No. 9	Tax Tips for Construction and Building Contractors
No. 10	Energy Resources Surcharge Law
No. 11	Energy Resources Surcharge Regulations
No. 12	Use Fuel Tax for Vendors and Users—Use Fuel Regulations and Analysis
No. 14	Motor Vehicle Fuel License Tax Regulations
No. 15	Cigarette Tax Regulations
No. 16	Alcoholic Beverage Tax Regulations
No. 17	Appeals Procedures
No. 18	Tax Tips: Sales Tax Guide for Volunteer and Nonprofit Fund Raising Organizations
No. 20	California Emergency Telephone Users Surcharge Law
No. 21	State Board of Equalization
No. 22	Tax Tips for the Dining and Beverage Industry
No. 24	Tax Tips for Package (Off-Sale) Liquor Stores
No. 25	Tax Tips for Auto Repair Garages and Service Stations
No. 27	Tax Tips for Drug Stores
No. 28	Business Tax & Property Tax Information for City and County Officials
No. 29	Property Tax Facts for Policy Makers
No. 31	Tax Tips for Grocery Stores
No. 32	Tax Tips for Sellers Making Sales for Resale or Export to Purchasers from Mexico
No. 34	Tax Tips for Motor Vehicle Dealers (New & Used)
No. 35	Tax Tips for Interior Designers and Decorators
No. 36	Tax Tips for Veterinarians
No. 37	Tax Tips for the Graphic Arts Industry
No. 38	Tax Tips for Advertising Agencies
No. 39	Emergency Telephone Users Surcharge Regulations
No. 40	Tax Tips for the Watercraft Industry
No. 43	Timber Yield Tax Law
No. 44	Transit Taxes
No. 44A	New District Taxes
No. 45	Tax Tips for Hospitals
No. 46	Tax Tips for Leasing of Tangible Personal Property in California
No. 47	Tax Tips for Mobilehomes and Factory-Built Housing
No. 48	Church Exemption; Religious Exemption; and Religious Aspects of the Welfare Exemption
No. 59	Local Motor Vehicle Fuel Taxation Law
No. 60	Hazardous Substances Tax Law
No. 61	Sales and Use Taxes: Exemptions and Exclusions
No. 62	Tax Tips for Locksmiths
No. 64	Tax Tips for Jewelry Stores
No. 66	Tax Tips for Retail Feed and Farm Supply Stores
No. 67	Instructions for Reporting State-Assessed Property: Part I, All State Assessees
No. 67A	Part IIA, Gas & Electric Companies
No. 67B	Part IIB, Telephone Companies—Local Exchange Carriers
No. 67C	Part IIC, Telephone Companies--Interexchange Carriers
No. 67D	Part IID, Telephone Companies—Cellular Carriers
No. 67E	Part IIE—Railroad Companies
No. 67F	Part IIF—Private Railroad Car Companies (Except Cars)
No. 68	Tax Tips for Photographers, Photo Finishers, and Film Processing Laboratories
No. 69	California Solid Waste and Disposal Site Cleanup and Maintenance Fee Law
No. 70	Your Taxpayer's Bill of Rights

INDIVIDUAL COPIES AT NO CHARGE

Sales and Use Tax Regulations *
Uniform Local Sales and Use Tax Regulations *
Transactions (Sales) and Use Tax Regulations *
Motor Vehicle Fuel License Tax Regulations *
Use Fuel Tax Regulations *
Alcoholic Beverage Tax Regulations *
Cigarette Tax Regulations *
Energy Resources Surcharge Regulations *
Emergency Telephone Users Surcharge Regulations *
Tax Information Bulletin (published quarterly) *
State of California Sales Tax Reimbursement Schedules
Property Tax Rules *
Annual Calendar of Board Meetings
List of Board of Equalization Publications Available to the Public
Taxable Sales in California (published quarterly)
Annual Report of the State Board of Equalization
Hearing Procedures of the State Board of Equalization

PUBLICATIONS AT COST

Business Taxes Law Guide
Property Taxes Law Guide
Business Taxes Audit Manual
Compliance Policy and Procedures Manual

IF YOU ARE IN DOUBT ABOUT HOW THE SALES AND USE TAX LAW APPLIES, PLEASE LET US KNOW.

Although the Board staff will provide verbal responses to your questions, you are encouraged to write or visit the nearest Board of Equalization Office. Requests for advice regarding a specific activity or transaction should be in writing and should fully describe all the facts.

Effective January 1, 1985, the Board may relieve taxpayers of tax, interest, and penalties where the Board finds that the failure to make a timely return or payment of sales or use tax was due to the taxpayer's reliance on written advice from the Board. This relief is available only when there has been written advice by the Board staff in response to a written request from a specific taxpayer, who described fully the specific facts and circumstances of the activities or transactions for which the advice was requested. (Assembly Bill 3338, Chapter 1728, Statutes of 1984)

*** When requesting these items please designate specific regulation, rule, or issue.**

CALIFORNIA STATE BOARD OF EQUALIZATION OFFICES

District	Board Members—1989	Office Address	Area Code	Telephone Number
First	WILLIAM M. BENNETT	1020 N St., Sacramento 95814	916	445-4081
Second	CONWAY H. COLLIS	901 Wilshire Blvd., Suite 210, Santa Monica 90401	213	451-5777
		From L.A.	213	852-5024
Third	ERNEST J. DRONENBURG, Jr.	110 West C St., Suite 1709, San Diego 92101	619	237-7844
Fourth	PAUL CARPENTER	4040 Paramount Blvd., Suite 103, Lakewood 90712	213	429-5422
State Controller	GRAY DAVIS	300 Capitol Mall, Sacramento 95814	916	445-2636
SACRAMENTO HEADQUARTERS	CINDY RAMBO, Executive Director	1020 N St., Sacramento 95814	916	445-6464
California Cities Business Taxes Field Offices	**Office Hours 8-5 Unless Otherwise Listed Below**	**Office Address**	**Area Code**	**Telephone Number**
Arcadia		20 E. Foothill Blvd., 91006	818	350-6401
		From L.A.	213	681-6675
Arroyo Grande		1303 Grand Ave, Ste. 115, 93420	805	489-6293
Auburn	8-12 & 1-5 M thru F	11714 Enterprise Dr., 95603	916	885-8408
Bakersfield		525 18th St., 93301	805	395-2880
Bishop	8-12 & 1-5 M thru F	407 W. Line St., Room 3, 93514	619	872-3701
Chico	8-12 & 1-5 M thru F	8 Williamsburg Lane, 95926	916	895-5322
Covina		233 N. Second Ave., 91723	818	331-6401
Crescent City	8-12 & 1-5 M thru F	1080 Mason Mall, 95531	707	464-2321
Culver City		3861 Sepulveda Blvd., Caller Box 3652, 90231-3652	213	313-7111
		From L.A.	213	879-0600
Downey		11229 Woodruff Ave., 90241	213	803-3471
		From L.A.	213	773-3480
El Centro	8-12 & 1-5 M thru F	1699 W. Main St., Suite H, 92243	619	352-3431
Eureka	8-12 & 1-5 M thru F	1656 Union St., Room 119, 95501	707	445-6500
Fresno		2550 Mariposa St., Room 2080, 93721	209	445-5285
Hayward		795 Fletcher Lane, 94544	415	881-3544
Hollywood		5110 Sunset Blvd., 90027	213	663-8181
Laguna Hills		23141 Moulton Parkway, Ste. 100	714	770-2157
Lakewood		4040 Paramount Blvd., Suite 101, 90712	213	421-3295
		From L.A.	213	636-2466
Marysville		922 G St., 95901	916	741-4301
Merced	8-12 & 1-5 M thru F	3191 M St., Suite A, 95340	209	383-2831
Modesto		1020 15th Street, Suite E, 95354	209	576-6360
Nevada City	8-12 & 1-5 M thru F	301 Broad St., 95959	916	265-4628
Oakland		1800 Harrison St., Room 940, P.O. Box 27, 94604-0027	415	464-0347
Ontario		320 West G St., Suite 105, 91762	714	983-5969
Oroville	8-12 & 1-5 M thru F	2445 Oro Dam Blvd., Suite 3A, 95966	916	538-2246
Palmdale	8-12 & 1-5 M thru F	37925 Sixth St., East, 93550	805	947-8911
Placerville	8-12 & 1-5 M thru F	344 Placerville Dr., Suite 12, 95667	916	622-1101
Pleasant Hill		395 Civic Dr., Suite D, 94523	415	687-6962
Quincy	9-1 M thru F	546 Lawrence St., 95971	916	283-1070
Rancho Mirage	8-12 & 1-5 M thru F	42-700 Bob Hope Drive, Suite 301, 92270	619	346-8096
Redding		391 Hemsted Dr., 96099	916	225-2725
Sacramento		1891 Alhambra Blvd., 95816	916	739-4911
Salinas		21 W. Laurel Dr., Suite 79, 93906	408	443-3008
San Bernardino		303 W. Third St., Suite 500, 92401	714	383-4701
San Diego		1350 Front St., Room 5047, 92101	619	237-7731
San Francisco		50 Fremont, Suite 1400, 94105	415	557-1877
San Jose		100 Paseo de San Antonio, Room 307, 95113	408	277-1231
San Marcos		334 Via Vera Cruz, 92069	619	744-1330
San Mateo		177 Bovet Rd, Suite 250, 94402	415	573-3800
San Rafael		7 Mt. Lassen Drive, Suite B-136, 94903	415	472-1513
Santa Ana		28 Civic Center Plaza, 92701	714	558-4059
Santa Barbara		411 E. Canon Perdido St., Room 11, 93101-1589	805	965-4535
Santa Cruz	8-12 & 1-5 M thru F	303 Water St., Suite 6, 95060	408	423-6683
Santa Rosa		50 D Street, Room 215, 95401	707	576-2100
Sonora	8-12 & 1-5 M thru F	1194 N. Highway 49, 95370	209	532-6979
South Lake Tahoe	8-12 & 1-5 M thru F	2489 Lake Tahoe Blvd., Suite 7, 95705	916	544-4816
Stockton		31 E. Channel St., Room 264, 95201-1890	209	948-7720
Susanville	9-1 M thru F	63 N. Roop St., 96130	916	257-3429
Torrance		690 West Knox St., 90507-0270	213	516-4300
		From L.A.	213	770-4148
Ukiah	8-12 & 1-5 M thru F	620 Kings Court, Suite 110, 95482	707	463-4731
Vallejo		704 Tuolumne St., 94590	707	648-4065
Van Nuys		6150 Van Nuys Blvd., 91401	818	901-5293
Ventura		1001 Partridge Dr., Ste. 200, 93003	805	654-4523
Visalia		111 S. Johnson St., Suite E, 93291	209	732-5641
Woodland	8-12 & 1-5 M thru F	96 W. Main St., Suite 2, 95695	916	662-7331
Yreka	8-12 & 1-5 M thru F	1217 So. Main Street, 96097	916	842-7439
Out-of-State Field Offices				
Sacramento Headquarters		1820 14th St., 95814	916	322-2010
Chicago, Illinois		150 N. Wacker Dr., Room 1400, 60606	312	782-7253
New York, N.Y.		675 Third Ave., Room 520, 10017	212	697-4680
Houston, Texas		9800 Northwest Freeway, Brookhollow Two, Ste. 106, 77092	713	681-1106
Property Taxes Field Offices				
Eureka (Timber)		1656 Union Street, 95501	707	445-6502
Fresno (Assessment Standards)		2550 Mariposa St., Room 2020, 93721	209	445-5305
Hayward (Assessment Standards—Valuation)		795 Fletcher Lane, 94544	415	881-3584
Orange (Assessment Standards)		140 S. Flower St., Suite 101, 92668	714	634-9133
Orange (Valuation)		140 S. Flower St., Suite 102, 92668	714	634-9118
Redding (Timber)		2400 Washington Ave., Suite 210, 96001	916	225-2670
Sacramento (Administration)		1719 24th Street, 95816	916	445-1516
Sacramento (Assessment Standards)		1719 24th Street, 95816	916	445-4982
Sacramento (Timber)		1719 24th Street, 95816	916	445-6964
Sacramento (Valuation)		1719 24th Street, 95816	916	322-2323